



“Honoring the Past, Embracing the Future”

MINIMUM STANDARDS

**FOR THE MANAGEMENT OF
ACTIVITIES and
COMMERCIAL OPERATIONS
AT THE
KEYSTONE HEIGHTS AIRPORT**

RECORD OF REVISIONS

Revision Number	Revision Date	Effective Date	Affected Pages	Summary
1				
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DEFINITIONS

Aviation Activities or “Services” shall refer to any activity or service conducted at the Airport that involves, makes possible, or is required for the operation of Aircraft, or which contributes to or is required for the safety of such operations. These activities include, but are not limited to:

- Air Taxi, Air Ambulance and Charter operations
- Charity Flights
- Aircraft fueling and sale of aviation petroleum products
- Aircraft tie-down and bulk/T-hangar storage
- Flight Training
- Aircraft Rental and Sightseeing
- Aircraft Sales and Services
- Aircraft repair and maintenance
- Aerial photography and surveying
- Crop dusting and other agricultural applications
- Aerial advertising and banner towing
- Aerial Firefighting
- Sale of Aircraft parts
- Sale and maintenance of aircraft accessories, radio, communication and navigational equipment
- Flying Clubs

Agreement shall refer to a written agreement, contract, lease, license, use, permit, or other form of authorization between the KHAA and an Operator specifying the terms and conditions under which the operator may conduct any Aviation Activities or Services. Such Agreement shall recite the terms and conditions under which the activity or service will be conducted at the Airport including, but not limited to, term of the Agreement, rents, fees and charges to be paid, and the rights and obligations of the respective parties.

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

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

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

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

Aircraft Operator shall refer to a person or entity who uses, causes to be used, or operates an aircraft for the purpose of flight.

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

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

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

Aircraft Storage shall refer to the temporary or long-term parking or storage of Aircraft and as further confined to within those designated areas of the Airport depicted on the Airport Master Plan, including ramps, kiosks, T hangars, bulk hangars, developed or undeveloped land, or as expressly permitted by the KHAA in writing and subject to all terms and conditions imposed therein.

Aircraft Operations Area or AOA shall refer to all airport areas where aircraft can operate, either under their own power or while in tow. The AOA includes runways, taxiways, and apron areas. A surface in the AOA where aircraft park and are serviced (refueled, loaded with cargo, and/or boarded by passengers).

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

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

Airport shall refer to Keystone Heights Airport (located in Bradford and Clay Counties and deeded to the city of Keystone Heights) and includes all Keystone Heights Airport owned or leased Real or Personal property, buildings, facilities and improvements within the boundaries of said Airport, as it presently exists or as it may exist when it is hereafter modified, expanded or developed, and which also includes all of its facilities as shown on the most current Airport Master Plan.

Airport Master Plan or AMP shall refer to the most recently approved plan and drawings depicting the physical layout of the Airport and identifying the location and configuration of current runways, taxiways, buildings, roadways, utilities, hangars, NAVAIDS, etc.

Airport Manager is the individual employed by the Keystone Heights Airport Authority to manage the normal day to day activities including staff administration, budgets, long range planning and development of the airport.

Airside shall refer to all property that is within the aircraft operations area and adjacent to or in proximity to taxiways/runways/RPZ's.

Airport Layout Plan or ALP is the current approved plan depicting the physical layout of the airport including the current location and configuration of taxiways, runways, buildings, hangars, nav aids and roadways.

Annual Adjustment shall mean that amount determined by the Airport Board at a public meeting held in September of each year, based on the Board's good faith judgement utilizing such relevant evidence as may be reasonably available to the Board, as best representing the actual percentage increase, if any, in consumer prices that fiscal year. If the amount thus determined is a positive number, then that amount shall be the Annual Adjustment for the next succeeding fiscal year.

Apron Privilege shall mean the permission to operate a vehicle on an aircraft parking apron to deliver persons, cargo, or equipment to an aircraft or gain access to bulk or T-hangars.

AVGAS shall mean aviation gasoline (100LL) intended for use in piston powered aircraft.

Authorized shall refer to activities or rules that have been approved by the Keystone Heights Airport Authority Board.

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

Based Aircraft shall refer to any Aircraft which the Aircraft Owner physically locates or stores at the Airport under a signed lease agreement, and whenever absent from the Airport, its owner intends to return the Aircraft to the Airport for storage.

Building shall refer to any existing or planned facility, hangar, or T-Hangar of steel, concrete, concrete block, or substantial metal construction on a concrete foundation, affixed to land within the Airport, and at such location as has been duly approved by the KHAA. The erection, construction or expansion of any building after adoption of these Standards shall be pursuant to all applicable zoning regulations and building codes for the County in which it is located.

CFI Certified Flight Instructor is a person who holds a flight instructor certificate (called a "certificated flight instructor" or CFI) is authorized to give training and endorsements required for and relating to: a pilot certificate or rating.

Commercial Activity shall mean the sale, exchange, trading, buying, merchandising, hiring, marketing, promotion, or selling of commodities, goods, services, or property of any kind including any revenue-producing activity.

Commercial Operator shall refer to any Person or Company engaged in any Commercial Activities or Services within the Airport that have been authorized by KHAA Board by approval of a lease agreement that allows for specific activities and services for that particular business profile. Commercial Operators shall be duly licensed or Certificated as required for all work performed, maintain the required insurance and fully comply with these standards.

County shall refer to Bradford or Clay County, Florida.

CTAF Common Traffic Air Advisory Frequency shall refer to any two-way communication system that provides Airport advisory information. See "Unicom" also.

Exclusive Right shall refer to any power, privilege or other right excluding or debarring another from enjoying or exercising a like power, privilege or right.

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

FAR means Federal Aviation Regulations.

FDOT shall mean the Florida Department of Transportation, Aviation and Spaceports.

Fixed Base Operator or FBO shall refer to any Full-Service commercial aeronautical service provider that has the privilege to sell fuel and may engage of in the following secondary activities; airframe and power plant maintenance, flight training, aircraft rental, aircraft charter or air taxi, avionics sales and service and aircraft storage/tie-downs or sale of pilot supplies.

Flight Training shall refer to flight operations that include training for obtaining or maintaining a pilot certificate or rating.

Flying Club shall refer to any non-commercial entity organized for the purpose of providing its members with Aircraft for their Personal use and enjoyment.

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

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

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

Ground Vehicle shall mean a non-aircraft, self-propelled vehicle including, but not limited to automobiles, trucks, vans, mobile fueling vehicles, aircraft tugs and golf carts, which may

operate on the airfield side of the airport only in accordance with these regulations and standards.

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

KHAA shall refer to the Keystone Heights Airport Authority.

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

Jet-A or Jet Fuel shall mean aviation fuel specifically utilized in turbine aircraft.

KHCC shall refer to the Keystone Heights City Council, Keystone Heights, Florida.

Landside shall refer to all areas of the airport property that is outside of the security fencing that separates the aircraft operations area from all non-aeronautical activities.

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

Lessee shall refer to any Person(s) or entity that has entered into a Lease directly with the KHAA regarding property located within the Airport.

Master Plan shall refer to the current documented report and the scaled dimensional drawing depicting the layout of the entire Airport identifying the location and configuration of current, and proposed usage of runways, taxiways, buildings, roadways, utilities, NAVAIDS, etc. as approved by the KHAA, FDOT, and the FAA.

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

Movement Area shall include the runways, taxiways, and any other areas of the airport that are used for taxiing, takeoff, and landing of aircraft, exclusive of loading ramps and aircraft parking areas.

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

Non-Movement Area is all areas within the Aircraft Operating Area, except taxiways, runways and associated safety areas. This includes aprons, tie-down areas and perimeter roads. Various types of aircraft and vehicles may operate in the Non-Movement areas at the same time.

NOTAM means “Notice To Airmen” which addresses a safety or operational item and published by the FAA.

Permit or Permission shall refer to any administrative approval issued by the KHAA to any Person(s) or Entity to conduct any Aviation activities or Services, on a temporary basis, and under such terms, conditions and duration as may be imposed and strictly limited to such location or locations as authorized.

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

Preventive Aircraft Maintenance shall refer to any maintenance that is not considered a major Aircraft alteration or repair and does not involve complex assembly operations as listed in 14 CFR Part 43 Appendix A (c).

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

Rules and Regulations or Rules shall refer to the rules and regulations approved by the KHAA, and as such Rules may be amended from time to time. The Rules shall apply to all Persons operating under or pursuant to these Standards. **Self-Service** shall refer to the refueling, repair, preventive maintenance, towing, adjustment, cleaning and/or other general services of any Aircraft performed by an Aircraft Owner, or by such direct employee(s) of an Aircraft Owner with resources supplied by the Aircraft Owner.

Self-Serve Fueling is the commercial operation of an unstaffed stationary 100 LL fuel, or Jet fuel dispensing equipment for general use via a card reader.

SPCC shall mean Spill Prevention, Control and Countermeasure Plan as defined in Federal Statute 40 CFR 112.

Special Events include but not limited to, fly-ins, aerobatic competitions, air shows, sky-diving or other similar events which require the use of the Airport.

Sponsor shall mean the Keystone Heights Airport Authority.

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

SWPPP shall mean the Stormwater Pollution Prevention Plan.

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

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

Tenant shall mean any entity that has an agreement with the Keystone Heights Airport Authority for occupying space at the Keystone Heights Airport.

Through the fence Activities shall refer to access granted to a federally obligated, public airfield/airport from private, residential property or property zoned residential use.

TSA is The Transportation Security Administration of the United States of America, its successors and assigns.

UNICOM (Universal Communications) shall refer to any two-way communication system that provides Airport advisory information. Also see CTAF.

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

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

CHAPTER 1

GENERAL PROVISIONS

A. POLICY

The following policy for the Minimum Standards of the Keystone Heights Airport is established by the Keystone Heights Airport Authority (KHAA). The City of Keystone Heights, being the owner established the KHAA as a separate dependent district responsible for the administration of the Keystone Heights Airport:

These Minimum Standards are intended to be the minimum requirements for those wishing to operate on the airport or provide commercial aeronautical and non-aeronautical services to the public and to ensure that those who have undertaken to provide such services as approved are not exposed to unfair or irresponsible competition. Furthermore, these standards are intended to protect the airport patrons from irresponsible, unsafe, or inadequate service for the protection of both the public and the established operator.

These Minimum Standards were developed taking into consideration both the aviation and non-aviation role of the Keystone Heights Airport, existing facilities and services currently being offered at the airport, the planned future development for the airport, and to promote fair competition. The uniform application of these Minimum Standards, containing the minimum levels of service that must be offered by a service provider, relate primarily to the public interest and discourages substandard operations.

B. INTRODUCTION

The Keystone Heights Airport being a Federally obligated airport is responsible for adopting airport Minimum Standards that establish criteria for those wishing to operate on the airport or provide commercial services to the public on this airport. For those entities meeting the Minimum Standards, the KHAA will negotiate a lease with them to provide specific services in a specific leased area with stated facilities at an agreed upon set of rates and charges.

Please note that the standards set forth herein are not to be construed by the prospective Lessee as setting forth the desirable size of land area or structure for a particular operator.

C. COMPLIANCE WITH GRANT ASSURANCES

The Federal Aviation Administration (FAA) contends that it is the prerogative of the airport owner (sponsor) to impose Minimum Standards to establish the threshold entry criteria for those wishing to engage in providing aeronautical and non-aeronautical services to the public on the airport. A grant assurance given by the airport sponsor in exchange for Federal funding to assist in developing runways, taxiways, etc., at the airport addresses the obligation of establishing Minimum Standards. The assurance is:

Grant Assurance 22a - Imposes the obligation on the Airport operator to make the airport available for public use on fair and reasonable terms and without unjust discrimination of all types, kinds and classes of aeronautical use. It is therefore implicit upon the Airport operator, in the early stages of the airport development, to establish Minimum Standards to be met by individuals or companies wishing to come onto the airport to provide aeronautical services to the public. The FAA fully supports the early development and continual updating of the Minimum Standards.

D. COMPLIANCE WITH FAA ADVISORY CIRCULARS

Advisory Circular (AC) 150/5190-7, or current Minimum Standards AC, gives guidance to airport owners in developing Minimum Standards. AC 150/5190-7 is available through the U.S. Department of Transportation, Federal Aviation Administration. These Minimum Standards were developed utilizing this Advisory Circular, as well as AC 150/5190-6, EXCLUSIVE RIGHTS AT FEDERALLY-OBLIGATED AIRPORTS.

E. RIGHT TO FURTHER DEVELOPMENT

The Keystone Heights Airport Authority reserves the right to further develop or improve Keystone Heights Airport as it sees fit, regardless of the desires or views of the commercial aeronautical/non-aeronautical operators, and without interference hindrance. The Keystone Heights Airport Authority and staff shall make every effort to minimize the disruption of normal airport usage during a period of repair or further airport development.

F. SALE OF AVGAS (100LL)

The Keystone Heights Airport reserves the right to establish itself as the sole retail fuel provider and believes that in doing so would be in the best interest of the public.

Avgas (100LL) shall not be sold to individuals or entities street driven/on road vehicles per IRS, EPA and state regulations.

CHAPTER 2

GENERAL REQUIREMENTS FOR ALL OPERATORS

A. INTRODUCTION

1. These minimum general standards shall apply to all operators on the Keystone Heights Airport. Detailed Minimum Standards pertaining to specific aeronautical and non-aeronautical operations are found in subsequent chapters dedicated to those operations. The Keystone Heights Airport Authority reserves the right to make changes to these standards dictated by changing conditions, regulations, and circumstances.

B. AERONAUTICAL COMMERCIAL SERVICES DEFINED

1. Aeronautical Commercial Services are defined as certain commercial activities conducted at or from the Airport for the purpose of securing earnings, income, compensation, or profit, whether or not such objectives are actually accomplished. Commercial Services that shall be subject to these Minimum Standards include, but are not limited to the following aeronautical and ground transportation activities: Aircraft sales, airframe or power plant repair, Aircraft rental, flight training, air taxi/charter, avionics, instrument or propeller service, commercial flight services.

C. NON-AERONAUTICAL COMMERCIAL SERVICES DEFINED

1. Non-Aeronautical Commercial Services are defined as certain commercial activities conducted at or from the Airport for the purpose of securing earnings, income, compensation, or profit, whether or not such objectives are actually accomplished. It shall also refer to any Person or Company that may be engaged in activities or services that are not Aviation oriented but have been authorized by KHAA Board approval of a lease agreement that allows for specific activities and services for that particular business profile. Commercial Operators shall be duly licensed or certificated as required for all work performed, maintain the required insurance and fully comply with these standards.

D. EXPANSION OF ADDITIONAL MINIMUM STANDARDS

1. Authorized commercial services are not limited to those listed in these Minimum Standards. In the event a prospective operator desires to conduct a commercial activity not listed in these standards, the Minimum Standards for that activity may be identified as a part of the application process. Further, the KHAA may, at any time, identify additional activities to be subject to Minimum Standards

E. LEASE AGREEMENTS FOR COMMERCIAL OPERATIONS

1. Lease agreements shall be for a term mutually agreed upon between the parties commensurate with the operator's financial investment in his/her facility, but generally not longer than 20 years. Lease rates may include annual adjustment increases, flowage fees, landing fees, commissions, etc., and will be in accordance with periodic rates and charges reviews by the Keystone Heights Airport Authority with FAA Grant Assurances requiring fair market value return for airport leased property or facilities. Lease Agreements shall be in accordance with any Lease Policy that may be adopted in the future. Mandatory lease clauses are shown in Exhibit A.

2. In planning a commercial development, it is expected that all aircraft associated with the operation will be stored in the operator's hangar or on the tie down ramp that is constructed by the operator on leased premises. The Airport is not obligated to provide or construct public ramp/apron or connecting taxiways for commercial operators. Further, the Airport's ability to construct such ramp/apron or taxiway facilities is limited to the availability of funds, which may be dedicated to higher priority projects on the Airport. Thus, the prospective operator should expect to fund all facility needs (building, parking lots, ramps/aprons, connecting taxiways, etc.) as a part of the total plan.

Chapter 3

Commercial Operator Application

A. INTRODUCTION

1. Any operator desiring to conduct aeronautical or other services on the Keystone Heights Airport must submit a written application to the Airport Manager in accordance with the most current Minimum Standard. Completion of the Commercial Operator Business Application (Exhibit B) shall be required as well as some personal information to perform an adequate background check of the applicant.

B. INTENDED SCOPE OF ACTIVITIES

1. Prior to the granting of an operating privilege on the Keystone Heights Airport, the prospective operator must submit a detailed description of the intended activity(s) including the following:

- a) The services to be offered.
- b) The amount of land to be leased or subleased.
- c) The building space to be constructed, leased, or subleased.
- d) The number of Aircraft (or Vehicles) to be provided, if applicable.
- e) The number of qualified and/or certified employees.
- f) The hours of proposed operation.
- g) Evidence of required minimum insurance coverage as established by the Airport.
- h) Evidence of operator's financial capability to perform the proposed services and provide and maintain the required facilities.
- i) Evidence of the operator's level of competency and experience in successfully performing the proposed service.

C. SITE DEVELOPMENT STANDARDS

1. The minimum space requirements hereinafter provided may be satisfied by the lease, construction, or sublease of single abutting or separate parcels having one (1) building, attached buildings, or separate buildings. New construction must be behind the Building Restriction Line (BRL) and in some cases a minimum 50-foot setback from aviation ramp/apron areas is required for new construction unless otherwise approved by the KHAA board and agreed to in writing by the Airport Manager and approved by the FAA.
2. For construction of any new facilities not already on the airport, the operator shall be subject to the standards of development in the Airport Master Plan for the Keystone Heights Airport as well as applicable federal, state, and local laws, ordinances, and codes. A certified survey of the proposed property shall be required prior to construction and a copy provided to the Airport Manager.
3. No person or entity shall make any alterations of any nature whatsoever to any buildings, ramps/aprons, or other airport space or property, nor shall any building or other structure be erected without submission of a written request, including detailed plans and specifications found in the Construction Application Form in Exhibit C of this document. Receipt of written approval from the Airport Manager is required prior to any operations or activity by the prospective operator. Prospective operators shall comply with all building codes of the Bradford or Clay Counties and shall deliver to the Airport Manager “as built” plans upon completion.
4. Improvements made by a Lessee or his/her subcontractor to existing hangars or buildings shall become the property of the Airport and shall not be removed when the lease is terminated. The Airport will not issue credits or reimbursement for such improvement costs.
5. Further, a notice of alterations or construction must be submitted to the Federal Aviation Administration by the prospective operator, FAA Form 7460-1 (Notice of Proposed Construction and/or Alteration), and receive a favorable determination prior to commencement of any construction. If resources allow, the Keystone Heights Airport may provide assistance in completing Form 7460-1. The operator shall provide to the Airport Manager a copy of the submitted application and the FAA reply prior to commencement of any construction.

D. PERSONNEL

1. The prospective operator shall have in their employ and on duty during the required operating hours, such numbers and types of trained personnel with proper FAA credentials (if applicable), certificates, and ratings as applicable to provide adequate and efficient services.
2. Operator must demonstrate that procedures have been established to assure that all persons employed, or to be employed, who have unescorted access to any area on the Airport controlled for security reasons, have background checks to the extent required by law or regulation including, at a minimum, references and prior employment histories to the extent necessary to verify representations made by the employee/applicant relating to employment in the preceding five years.
3. Operator shall not permit its agents or employees to conduct business in a loud, noisy, boisterous, offensive, or objectionable manner, or to solicit business outside the space assigned as stated in a lease or operating agreement.
4. Operator shall comply with all Noise Ordinances for the county their business resides in.

E. EXPERIENCE / FINANCIAL STABILITY

1. The prospective Commercial Operator, and/or the Operator's key management personnel assigned to the airport, must demonstrate that it will be able to meet the minimum experience requirement for the specific business classification being proposed as detailed below. Experience must be in the successful operation of a business in the proposed business classification, as its primary business. For start-up and other non-aeronautical entities, board approval must be obtained.
2. Capital Improvement / Equipment Funding: The Operator must demonstrate that it has, or is able to secure, the necessary level of capital for the purpose of constructing new facilities, or remodeling existing leased facilities, and acquiring maintenance equipment and aircraft, as may be necessary, to service existing and future business demands.
3. Operating Capital: The prospective Operator must demonstrate that it has the necessary available operating capital to enable it to hire the necessary personnel, pay airport rents and operating expenses and fees, and generally cover all other business operating expenses for the initial 12 months start up period of the business. Operator must also demonstrate that the

proposed business is projected to generate the level of revenue to sustain business operations past the initial 12 months.

4. Contract Security/Deposit: The Airport may require a contract security/deposit in the event Lessee defaults on rents or ad valorem taxes.

5. All Commercial Operators shall be required to pay an annual fee to operate an aeronautical or non-aeronautical business at the Keystone Heights Airport. Refer to Exhibit E for fee schedule.

Chapter 4

Insurance

A. INDEMNIFICATION

1. Prospective Operators (including Mobile Operators) must agree to indemnify, save, hold harmless, and defend the Keystone Heights Airport, its agents and employees, its successors and assigns, individually or collectively, from and against all liability for any claims and actions and all reasonable expenses incidental to the investigation and defense thereof, in any way arising out of, or resulting from, any acts, omissions or negligence of the Operator, its agents, employees, licensees, successors and assigns, or those under its control in, on, about or upon leased premises, or in connection with its use and occupancy of leased premises or use of airport; provided, however, that the Operator shall not be liable for any injury, damage, or loss occasioned by the negligence or willful misconduct of the Keystone Heights Airport, its agents or employees.

2. The Operator must also agree to indemnify, save, hold harmless, and defend the Keystone Heights Airport, its agents and employees, its successors and assigns, individually or collectively, from and against all liability for any claims and actions and all expenses incidental to the investigation and defense thereof, in any way arising from or based upon the violation of any federal, state, or municipal laws, statutes, ordinances, or regulations by the Operator's agents, employees, licensees, successors and assigns, or those under its control. The Operator shall not be liable for any claims, actions and expenses incidental to the investigation and defense thereof, in any way arising from or based upon violation of any federal, state, or municipal laws, statutes, ordinances, or regulations by the Keystone Heights Airport, its agents, employees, licensees, successors and assigns, or those under its control.

B. MINIMUM LIABILITY / AUTO INSURANCE REQUIREMENTS

1. Without limiting the Operator's obligation to indemnify the Keystone Heights Airport, the Operator shall provide, pay for, and maintain in force at all times during the term of their Agreement, a policy of:

- a) Comprehensive general liability insurance to protect against bodily injury liability and property damage in an aggregate amount of not less than \$1,000,000 per occurrence.
- b) Comprehensive automobile liability insurance in a combined single limit as required by the Keystone Heights Airport for all vehicles that will be operating in the aviation areas of the airport, or the maximum coverage available under the laws of the State of Florida for publicly owned vehicles, whichever is less.
- c) Statutory Workman's Compensation insurance and any other policies of insurance reasonably required by the Airport.
- d) Aircraft liability insurance with a minimum limit of \$1,000,000.00 for any hangar tenant, Operator engaging in the operation of an aircraft for compensation or hire or any service performed incidental to the operation of an aircraft for which a fee is charged or compensation received. The limit provided under this section may be reviewed and adjusted from time to time by the Keystone Heights Airport depending on the type of aircraft being used in conjunction with the commercial operation, incidence of use, or other factors.

2. The above-mentioned insurance amounts and types of insurance shall be reviewed from time to time by the Keystone Heights Airport and may be adjusted if the Airport reasonably determines such adjustments are necessary to protect the Airport's interests. The Operator shall furnish the Keystone Heights Airport, as evidence that such insurance is in force, a certified copy of the insurance certificate, including the Airport as additional insured, within 30 days after the policy(s) is issued. Said policies shall be in a form and content satisfactory to the Airport and shall provide for thirty (30) days written notice to the Airport prior to the cancellation of, or any material change in, such policies.

C. ENVIRONMENTAL IMPAIRMENT:

1. Operators must agree to comply with any environmental regulations affecting its operations (SWPP, etc.), including furnishing of insurance or other security against environmental impairment risks as required by the Keystone Heights Airport, State of Florida, or agencies of the Federal Government.

D. PERFORMANCE BONDS

1. Operators must agree to cause a surety bond, or other acceptable security, to be issued in the name of the Keystone Heights Airport in the amount equal to 100% of the future building construction costs, prior to the beginning of any construction financed by the Operator.

Chapter 5

Commercial Operator Services

A. INTRODUCTION

1. It is the Airport's intent to ensure that the Keystone Heights Airport, through its authorized commercial operators, provide a full range of quality services to the aviation and general public.
2. Exclusive Rights: No private aeronautical/non-aeronautical service provider will be granted an exclusive right to solely provide any service on the Keystone Heights Airport. Any interested party meeting the Minimum Standards may qualify for authorization to begin business.
 - a) The Keystone Heights Airport reserves the right to establish itself as the sole retail fuel operator and believes that in doing so would be in the best interest of the public.
 - b) It is the intent of the Keystone Heights Airport to promote aeronautical service activities. However, in the absence of a qualified Full-Service Operator, the Airport reserves the right to provide aeronautical service, aviation fuel sales absent an authorized commercial service provider, as an "exclusive right" unto itself. Once such an aeronautical service is thus declared an "exclusive right" of the Airport, the service can no longer be considered a service that can be offered by private commercial operators at the airport, until such time as the Airport determines to discontinue providing the service itself.

B. COMMERCIAL OPERATOR:

1. A person or organization meeting the appropriate Minimum Standards of any one (1) of the following aeronautical or non-aeronautical services may apply to the Keystone Heights Airport for permission to operate as a **Commercial Operator**. Commercial operators are prohibited from retail sales of fuel or petroleum products and providing aviation line services. Fuel or petroleum retail sales and line services are privileges reserved for the Keystone Heights Airport or approved Full-Service operator(s).
2. As of 1 January 2021, existing Commercial Service providers operating out of a leased hangar shall be temporally exempt from the Land, Building, Personnel and Hours of

Operations requirements listed below if the Operator stores his/her personal aircraft within the leased hangar space.

3. Existing and new Commercial Service providers shall be required to pay an annual fee in addition to their monthly hangar lease fee (if applicable) for operating a commercial business at the Keystone Heights Airport. An annual fee shall also apply to all mobile service operators. Refer to Exhibit E for fee schedule.

C. Commercial Operator Applicants will provide the following information as a minimum:

1. Services to be provided.
2. Land area needed and geographic location on the airport as applicable to adequately provide the services.
3. Buildings or square footage of building space to adequately provide the services.
4. Personnel with appropriate certifications licensure to provide the services.

D. COMMERCIAL NON-AERONAUTICAL SERVICES

Individuals or business entities wanting to provide mobile or permanent (leased) commercial non-aeronautical services shall be reviewed on a case-by-case basis. Minimum land and building requirements shall be determined during the review.

CHAPTER 6

GROUND TRANSPORTATION SERVICES

A. ON AIRPORT CAR RENTAL CONCESSION

Persons desiring to provide cars to the public from a location on Airport property shall meet the following minimums:

1. Lease of Land adequate to meet all reasonable demands.
2. Buildings adequate to meet all reasonable demands for automobile rental service at the Airport.

B. KEYSTONE AIRPORT COURTESY VEHICLE(S)

A courtesy vehicle is available at no charge to transient pilots and reservations are encouraged as the vehicle is available on a first-come-first serve basis. Persons desiring to use the Keystone Airport Courtesy vehicle shall complete the required form and provide proof of valid driver's license and insurance.

Courtesy vehicle(s) shall be used for accessing local businesses. Overnight or extended use shall require approval by the airport manager.

CHAPTER 7

NON-COMPLIANCE

PENALTIES

1. Any person violating any local, state or federal regulations are subject to penalty.

A. NOTIFICATION

1. When an activity in violation of Airport regulations and standards is brought to the attention of the Airport Manager, the person/persons conducting the activity shall be notified in writing. After written notification to the operator, the Airport Manager will notify the proper authorities for enforcement of the related violation. However, should the Keystone Heights Airport Authority determine that the activity in violation of Airport regulations and standards is dangerous or unsafe, the person/persons conducting the activity will be directed to immediately cease and desist such activity.

B. ADDITIONAL ENFORCEMENT MEASURES

1. If the activity continues, the individual(s) conducting the activity will be directed to vacate the Airport. If the individual(s) conducting the activity refuses to leave, the Keystone Heights Airport Authority or airport staff will notify the respective County Sheriff's Department or the Keystone Heights Airport Attorney and the individual(s) will be prosecuted to the full extent of the law.

C. APPEALS PROCESS

1. The Keystone Heights Airport Authority may hear and decide appeals from the penalized individual(s) unless such activity has involved FAA, County, State of Florida or Federal law enforcement. To begin the appeals process, operator must provide written notification of appeal to the Airport Manager. The Airport Manager along with the Keystone Heights Airport Authority will then take appropriate action.

D. OTHER NON-COMPLIANCE STANDARDS

1. These standards are in addition to any remedies authorized by a lease, contract, law, or regulation.

Chapter 8

MINIMUM STANDARDS DOCUMENT REVIEW

A. REVIEW BY KHAA BOARD

1. The Keystone Heights Airport Authority Board may create a committee that will review the Airport Minimum Standards every three (3) years.
2. Airport Minimum Standards may be reviewed prior to every three (3) years if an issue arises that forces such a review.
3. If the review is other than every three (3) years, the Authority Board Committee may also look at a single issue rather than the entire document.

B. INPUT FROM THOSE AFFECTED BY CHANGE

The Keystone Heights Airport Authority Board committee created to review the Airport Minimum Standards will seek input from affected parties if changes are recommended during the review process.

CHAPTER 9

HANGAR USE, LEASING AND INSPECTION

A. INTRODUCTION

It is the intent of the Keystone Heights Airport to provide a variety of storage hangars for various types of aircraft. Currently the types of hangars are; Bulk, Box Hangars and T-hangars and are only available to persons/entities who have completed the Hangar Waitlist Application and have an aircraft.

B. LEASE AGREEMENTS

1. Hangar lease agreements shall be for a primary one (1) year term with automatic renewal to a month-to-month term. Lease rates may include annual adjustment increases and if implemented, flowage fees, landing fees, commissions, etc., and will be in accordance with periodic rates and charges reviews by the Keystone Heights Airport Authority. Lease Agreements shall be in accordance with any Lease Policy that may be adopted in the future. Mandatory lease clauses are shown in Exhibit A.

C. INSURANCE REQUIREMENTS

1. Refer to Chapter 4 for specific requirements.

D. HANGAR USE

1. Standards for Aeronautical Use of Hangars

- A. Aeronautical facilities must be used or be available to use for aeronautical activities.
- B. The Airport Authority may permit non-aeronautical items to be stored in hangars provided:
 - a. The hangar is used primarily for the storage of aircraft and other aeronautical support equipment,
 - b. The items are incidental and do not interfere with the aeronautical use of the hangar.
- C. Hangars may not be used as a residence,
- D. Areas within a hangar may be used as a pilot rest facility, aircrew quarters, or other associated crew members, e.g. mechanics.

2. Aeronautical Uses for hangars

Aeronautical facilities must be used or be available for use for:

- A. Storage of active aircraft, helicopters, or ultralight vehicles.
- B. Final assembly of aircraft under construction to be no more than 45 days.
- C. Maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of nonoperational aircraft.
- D. Storage of aircraft handling equipment, e.g. tow bars, glider tow equipment, workbenches, equipment, tools and materials used in servicing, maintenance, repair or outfitting of aircraft.
- E. Loaning or subleasing the hangar to an on-site or mobile A&P/IA for any type of maintenance on another aircraft is strictly prohibited.

3. Prohibition of Non-Aeronautical Items in or Around Hangars

- A. Items that impede the movement of the aircraft in and out of the hangar or impede access to aircraft or other aeronautical contents out of the hangar.
- B. Items that displace the aeronautical contents out of the hangar. A vehicle parked at the hangar while the vehicle owner is using the aircraft will not be considered to displace the aircraft.
- C. Items that impede access to aircraft or other aeronautical contents of the hangar.
- D. Items that are used for the conduct of a non-aeronautical business, including storage of inventory.
- E. Items that are used for the conduct of a non-aeronautical municipal agency function from the hangar, including storage of inventory.
- F. Items that are stored in violation of airport rules and regulations, lease provisions, building codes, or local ordinances.

4. Commercial Activity in Hangars

- A. No person, organization, partnership, corporation firm, entity, or like organization shall occupy or rent space, nor conduct any business, commercial activity or enterprise, or other form of revenue producing activity in a hangar on the Airport without first obtaining a written agreement and authorization from the Airport Authority, unless specifically acknowledged and waived in writing by the Airport Authority.
- B. Commercial aeronautical activities are governed by the Airport Minimum Standards.

5. Storage of Non-Aeronautical Equipment or Property

Approval of storage of equipment or property not used for aviation or other un-approved operations or activity outside of hangars, but on Airport property shall be specifically provided for by written lease or other contractual agreement through the Airport Manager or designee of the Airport Authority.

6. Certified Flight Instructor and Student Pilot Responsibilities

- A. Flight Instructors, (CFI's) shall fully acquaint their students with these Hangar Usage Policies and Procedures and shall be responsible for the conduct of the students under their direction during dual instruction.
- B. When a student is operating an aircraft independent of an instructor, it shall be the student's sole responsibility to observe and abide by these Hangar Usage Policies and Procedures.

7. Refueling, Starting or Running of Aircraft

- A. Aircraft shall not be fueled, or defueled, or operated inside any hangar.
- B. No person shall start or run an aircraft engine unless a qualified, certified pilot or mechanic is attending the aircraft controls and only in the locations designated for such purposes.
- C. Aircraft engines shall not be operated inside a hangar or in such position that person, structures or property may be endangered by the path of the aircraft propeller slip-stream, jet blast or rotor-wash.

8. Taxiing into or out of Hangars

- A. Aircraft engine(s) shall not be operated in any hangar.
- B. No aircraft shall be taxied into or out of a hangar under its own power.

9. Modifications to Hangars

A building permit from the appropriate regulating agency is required for certain modifications to structures built within a privately-owned hangar, or an airport-owned (or other government entity) hangar or facility, including, but not necessarily limited to:

- Partial or full mezzanines or lofts,
- Offices,
- Break rooms,
- The installation of insulation materials on any hangar structure surface;

- Electrical modifications,
- Plumbing installation or modification,
- Exterior signage

For guidance on building permit requirements, consult the appropriate regulating agency (Bradford or Clay County).

10. Application of Coatings inside Hangars

- A. The FAA regulations do allow for minor painting and touchup activities associated with aircraft repairs.
- B. Any painting at 42J must comply with Federal, State, and local environmental regulations. Full aircraft painting will not be conducted in T-Hangars.

E. HANGAR INSPECTION PROCEDURES

The Airport conducts a program to monitor hangar condition, and use of hangars and will implement measures to prevent unapproved, non-aeronautical use of hangars.

1. Periodical Hangar Inspections

Hangar inspections will be performed periodically by the Airport Manager or their respective designees.

Hangar inspections will ensure that:

- A. Items that are being stored in the hangar meet local fire codes and do not compromise public safety and;
- B. Hangars are being used for aeronautical purposes, in accordance with FAA regulations and the hangar leases.
- C. .Hangar physical condition (see checklist for detail).

F. FIRE SAFETY AND ENVIRONMENTAL

1. Applicability and Compliance

All persons, companies, and agencies engaged in any activity at the Airport shall comply with all applicable Federal, State, and local fire regulations.

Tenants shall keep on hand and make available to the Airport Manager a Material Safety Data Sheet (MSDS) or Safety Data Sheet (SDS) for all hazardous materials stored within their hangar.

2. Storage of Flammable Solids and Liquids

The use and storage of all flammable materials (solid and liquids) shall comply with Federal, State, and local rules and regulations and the Hangar Usage Policies and Procedures included herein.

A. Combustible Materials for Aeronautical Use

1. Combustible materials such as plastics, rubber, paper, cardboard, fabric, and wood may be stored in the hangar provided they are separated from all flammable liquids by a minimum of eight (8) feet.
2. Combustible materials may be stored on an approved shelf up to twelve (12) feet in height when measured from the floor to the top of the materials being stored.
3. Oily rags and similar debris must be stored in approved covered containers. These containers are to be properly emptied on a regular basis.

B. Hazardous Materials for Aeronautical Use

1. Hazardous materials may only be stored if the lessee can demonstrate the aviation need for their storage inside the hangar. Tenants shall keep on hand and make available to the Airport Manager a Material Safety Data Sheet (MSDS) or Safety Data Sheet (SDS) for all hazardous materials stored within their hangar.
2. Flammable and combustible liquids may not be stored over six (6) feet above the floor.
3. All cabinets and shelving used for storage of flammable or combustible liquids must meet the design requirements of the International Fire Code (IFC) Sections 3404.3.2.1/3404.3.3.5.
4. Aviation fuel, not contained within the aircraft, must be stored in NFPA-approved storage containers.
5. All other hazardous liquids must be stored in the manufacturer's original labeled container.
6. The quantities of flammable and combustible liquids, other than fuel stored within an aircraft, vehicle, or tug device may not exceed a total of 110 gallons.
7. Stored flammable liquids of 10 gallons or greater must be contained in NFPA-approved cabinets. For example, 11 gallons of gasoline (a Class 1 Flammable Liquid) must be stored in a NFPA-approved cabinet.
8. Should you need to store flammable and combustible liquids greater than 110 gallons, contact the Airport Manager for further guidance.

Examples of UL-Listed and NFPA-compliant storage cabinets and containers for flammable liquids;



9. Class 1 Flammable liquids: Examples of Class 1 liquids include, but are not limited to:

- Gasoline
- 100 Low Lead Avgas (1B)
- Acetone (1A)
- MEK-1A
- Ethanol (1A)
- Turpentine (1C)
- Methyl Alcohol (1C)
- Xylene (1C)

10. **Class 2 Combustible liquids:** Examples of Class 2 liquids include, but are not limited to:

- Jet-A aviation fuel
- Acetic acid

11. **Class 3 Combustible liquids:** Examples of Class 3 liquids include, but are not limited to:

- Diesel fuel
- Hydraulic fluid
- Engine oil
(aircraft)
- Lubricating and
turbine oils
- Mineral spirits
- Torque seal

12. Flammable Gases: Storage of flammable or oxidizing gases is prohibited.

1. Non-Combustible Materials may be stored on an approved shelf up to fifteen (15) feet in height when measured from the floor to the top of the materials being stored.
2. Other Approved Storage Inside a Hangar
3. Tools and materials associated with routine maintenance of your registered aircraft and an aircraft tug/device.
4. Golf carts, motor and/or recreational vehicles may be stored if the storage of these items is secondary to the storage of aircraft and aviation-related items.

3. Fire Extinguisher and Equipment

- A. Airport shall be responsible for the furnishing and maintenance of adequate first aid and fire equipment meeting the minimum requirements of applicable local, State or Federal regulations.
- B. All extinguishers and other such equipment shall be inspected annually as required by State regulations.

4. Open Flames

- A. No person shall initiate or maintain any uncontrolled fire of any type.
- B. Every person observing any unattended or uncontrolled fire on Airport premises shall immediately report it directly to 911 and the Airport Manager, or designee. The Airport Manager may then contact local Fire station directly to confirm emergency needs.
- C. Propane and natural gas grills are only approved for use outside of hangars or other facilities.

5. Discharge of Combustible Liquids

No tenant, shipper, individual, or other entity shall permit or cause to be permitted the discharge of flammable or combustible liquids or any waste liquid containing crude petroleum or its products into or upon any street, highway, drainage canal or ditch, storm drain, flood control channel, waterway, or the ground on the Airport.

6. Heating Equipment

All heating equipment and fuel burning appliances installed on the Airport shall be listed by an appropriate testing agency for its intended use and shall comply with the requirements of the Uniform Mechanical Code and the applicable standards of the National Fire Protection Association.

7. Prohibited Wastewater Discharge

- A. No person shall cause the discharge of any polluted water into the storm sewers or into watercourses that traverse the Airport.
- B. Persons who allow contaminants to enter the storm water system, either intentionally or unintentionally shall be liable for the cleanup of such spill and any fines levied.
- C. No person shall increase the use of processed water or in any way attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve

compliance with pollutant specific limitations developed by local, State or Federal agencies.

8. Duty to Notify

- A. Primary responsibility for prevention and cleanup of spills rests with the tenant, aircraft operator, FBO, person(s) or other entity causing the spill.
- B. Persons involved with any hazardous material or chemical spill, regardless of the size or amount, shall immediately notify the Airport Manager. Notifications should include the type of material spilled, amount, time, location, if contained, and other pertinent information available.
- C. If any claim, demand, action or notice is made against the person regarding the person's failure or alleged failure to comply with any environmental laws, the person shall immediately notify the Airport Manager and within twenty-four (24) hours submit a written report to the Airport Manager, shall provide copies of any written claims, demands, actions or notices so made.

G. TEMPORARY VACANCY DUE TO SALE OF AIRCRAFT

1. Lessee shall inform the Airport Manager immediately if his/her aircraft has been sold or leased and not being stored in the leased hangar. Failure to notify the Airport Manager of the sale of your aircraft may result in immediate termination of the hangar lease.
2. Lessee shall have a maximum of 90 days to purchase an aircraft to occupy their leased hangar.
3. If Lessee has not purchased a replacement aircraft within the allotted 90 days, the lease shall be terminated and fifteen (15) days allotted to vacate the hangar.
4. While a leased hangar is vacant, Lessee shall be prohibited from placing any aircraft in hangar without the permission of the Airport Manager.

H. HANGAR WAIT LIST

1. Vacant hangars will be offered to individuals on the hangar wait list. For a person to appear on the hangar wait list **they shall:**

A. COMPLETE AND FILE A HANGAR REQUEST APPLICATION (EXHIBIT G) WITH AIRPORT ADMINISTRATION. Applicants are solely responsible for maintaining a current address, email, and telephone number(s) as listed on their application. The applicant must currently own an aircraft and the aircraft owners name must match the FAA Aircraft Registration Certificate if other than the individual's name. Airport Administration will check N numbers at www.faa.gov. Hangars

will not be leased to individuals that do not own an aircraft. Applications are for one hangar only and no one may apply for additional hangars until they have signed a lease and occupy a hangar removing them from the wait list. Additional hangar requests will be placed at the bottom of the current list.

B. PAY HANGAR DEPOSIT FEE.

1. All persons on the Hangar wait list, either existing or new, shall make a \$250.00 hangar deposit. Checks should be payable to - Keystone Heights Airport Authority.
2. The hangar deposit shall be applied to the first month's hangar rent. The \$250.00 deposit will be refunded if an applicant removes their name from the hangar wait list by choice, or if an applicant is removed from the list by Airport Administration for declining a hangar space.

C. STIPULATE HANGAR SIZE DESIRED. An applicant shall be knowledgeable of the hangar sizes and accommodations. Applicant is solely responsible for selecting the appropriate hangar.

D. POSITION ON THE HANGAR WAIT LIST. Wait list position for new applications shall be determined by the date the hangar application is received by the Airport Manager either via U.S. mail or via walk-in at the Airport Office, 7150 Airport Road, Starke, FL 32091.

1. Hangar offers shall be made chronologically (oldest date to the most recent). When a hangar matching an applicants', preference becomes available, an offer notification will be made by Airport Administration. To accept the offer, the applicant must:

- a. **Reply** in the affirmative within five (5) days of the date when positive notification was made with the applicant (weekends and holidays excluded).
- b. **Aircraft Acquisition:** Have an aircraft registered to the applicant in the hangar within forty-five (45) days from the date Airport Administration received the applicant's acceptance and hangar rental payment. Failure to have an airworthy aircraft registered to the applicant in the hangar within 45 days of acquiring the hangar may result in termination of rental agreement and removal from the hangar. A copy of the aircraft insurance shall be provided to the Keystone Heights Airport Authority and may result in termination of rental agreement and removal from the hangar. A copy of the aircraft insurance shall be provided to the Keystone Heights Airport Authority and the policy shall show the Authority as additional insured. **NO AIRCRAFT EXCEPT FOR THE**

LISTED AIRCRAFT SHALL BE STORED OR OCCUPY ASSIGNED HANGAR. Exceptions may be made by the Airport Manager under certain circumstances.

2. Airport Administration Staff shall make every effort to contact the person in the top position of the hangar wait list either by mail, email, or telephone with a hangar becomes available. It is the applicant's responsibility to provide the most current contact information.

3. No contact, failure to respond or a "not interested" response, to the hangar offer notification after 5 workdays (weekends and holidays excluded), shall be interpreted as applicant is no longer in need of a hangar and the next individual on the list will be contacted. Applicant's deposit will be refunded and they will be removed from the hangar wait list.

4. Persons removed from the hangar wait list may restore their names to the bottom of the wait list by filling out a new application. If a past deposit was returned, a new deposit will be required.

5. Experimental aircraft applicants who are still in the build stage may apply to the wait list; however, the project must be in a "final assembly" stage and the renter has 45 days to complete the project or have an FAA inspection scheduled to finalize the process of an airworthy aircraft. FAA Guidance: Docket No. FAA-2014-0463

6. Deposits shall be either check or money order. In the event a check is returned for No Sufficient Funds (NSF) or other reason, the applicant will have five (5) workdays to remedy or will be removed from the list.

7. Applications and deposits shall be mailed or delivered via walk-in to the Airport Administration Office at 7150 Airport Road, Starke, FL 32091

8. Positions on the hangar wait list shall not be transferred, traded or sold.

9. As newly constructed Hangars become available, existing tenants, in good standing, may request the opportunity to upgrade. This would be based on their seniority/move in date. Existing tenants in this situation may not accept a new hangar as a secondary hangar; they must vacate their existing hangar.

10. Hangars are for the exclusive storage of Aircraft. If the owner is storing their aircraft at another location and staff determines excessive vacancy, cars, boats or other material is being stored in said hangar, contact will be made with the lessee. If not rectified, the "Authority" may terminate the lease agreement. The hangars are not assumed to be seasonal, i.e.; Tenant moves aircraft back up north for the summer but arrangements can be discussed with the Airport manager for consideration.

11. Tenant must maintain currently registered and airworthy aircraft available for claim on the "National Based Aircraft Inventory" list. If the Tenant has moved the original aircraft on the lease or is housing an aircraft that cannot be claimed, Tenant will receive a 45-day rectification letter. If Tenant does not rectify the issue in the 45-day period, lease can be terminated per the guidance of the lease on file.

APPENDIX 1

FAA's RESPONSES TO FAQ's REGARDING HANGAR USAGE

Question 1. Why are hangars limited to certain kinds of use?

Airport sponsors that have accepted FAA grants or deeds of Federal surplus property are obligated to use dedicated aviation facilities for aeronautical use.

If hangars are not reserved for aeronautical use, Federal airport grant funds could inadvertently subsidize non-aeronautical users, and aeronautical users could be denied access to needed airport facilities. Conditions in AIP grant assurances, relevant to hangar use, include:

- Preserving rights and powers (Grant Assurance 5);
- Making the airport available for aviation use on certain terms (Grant Assurance 22);
- Not granting exclusive rights (Grant Assurance 23);
- Ensuring safe operations (Grant Assurance 19); and
- Complying with ALP (Airport Layout Plan) process & requirements (Grant Assurance 29).

Question 2. What is an airport sponsor's responsibility for hangar use?

To ensure appropriate use of hangars, an airport sponsor should:

- manage the use of hangars through an airport leasing program that requires a written lease agreement or permit;
- monitor the use of hangars on the airport and take steps to prevent unapproved non-aeronautical use;
- minimize the length of time to provide hangar space for those on a "waiting list"; and require non-aviation users pay a fair market rental for the use of the hangar and if needed, the hangar is returned to aviation use, under circumstances where temporary non-aeronautical use of a vacant hangar is permitted.

Question 3. What is the primary purpose of an aircraft hangar?

The primary purpose of an aircraft hangar is aircraft storage. If a hangar is serving its primary purpose - the storage of aircraft - then storage of non-aeronautical items in the hangar does not violate the airport sponsor's federal obligations.

Question 4. Why is the FAA issuing a separate policy statement on hangar use?

The FAA received a number of questions from airport sponsors and airport tenants about the possible uses of hangars and how rigidly the aeronautical use requirement should be applied. In developing the policy statement, the FAA focused on giving discretion to the local airport sponsor and allowing reasonable accommodation of activities that do not impact other aeronautical uses and do not create unjust discriminatory conditions at the airport.

Question 5. To what airport facilities does the policy apply?

Policy applies to all aircraft storage areas or facilities on a federally obligated airport that are designated for aeronautical use on an FAA-approved Airport Layout Plan.

Question 6. Does the policy apply to airports that have never received federal assistance in the form of AIP grants or Federal Surplus or Non-Surplus Property conveyances?

No, it does not. An airport operator-owner of a non-federally obligated airport may impose any restrictions the owner-operator deems necessary. However, certain federal requirements, such as exclusive rights and civil rights may be applicable.

Question 7. Does the policy apply to privately owned hangars on private property?

The policy does not apply to privately owned facilities located off the airport.

Question 8. What aeronautical uses of a hangar are permissible?

- Storage of active aircraft.
- Shelter for maintenance, repair, or refurbishment of aircraft, but not the indefinite storage of non-operational aircraft.
- Construction of amateur-built or kit-built aircraft provided that activities are conducted safely.
- Storage of aircraft handling equipment, e.g., tow bar, glider tow equipment, workbenches, and tools and materials used to service, maintain, repair or outfit aircraft; items related to ancillary or incidental uses that do not affect the hangars' primary use.
- Storage of materials related to an aeronautical activity, e.g., balloon and skydiving equipment, office equipment, teaching tools, and materials related to ancillary or incidental uses that do not affect the hangars' primary use; Storage of non-aeronautical items that do not interfere with the primary aeronautical purpose of the hangar (for example, televisions, furniture).
- A vehicle parked at the hangar while the aircraft usually stored in that hangar is flying, subject to local airport rules and regulations.

Question 9. What uses are not permissible under the policy?

- Use as a residence.
- Operation of a non-aeronautical business, e.g., limo service, car and motorcycle storage, storage of inventory, non-aeronautical business office.
- Activities which impede the movement of the aircraft in and out of the hangar or other aeronautical contents of the hangar.
- Activities which displace the aeronautical contents of the hangar or impede access to aircraft or other aeronautical contents of the hangar.
- Storage of household items that could be stored in commercial storage facilities.
- Long-term storage of derelict aircraft and parts.
- Storage of items or activities prohibited by local or state law.
- Fuel, and other dangerous and Hazmat materials.
- Storage of inventory or equipment supporting a municipal agency function unrelated to the aeronautical use.

Question 10. What discretion does the policy allow the airport sponsor?

The policy:

- Preserves the airport sponsor's discretion to manage or address issues, including:
 - adopting rules covering the different uses of hangars;
 - mitigating related safety concerns (e.g., emergency access, fire codes, insurance, and the impact of vehicular traffic);
 - airport planning;
 - preserving airport efficiency; and
 - managing funding aspects of airport management.
- Provides protection against claims of discrimination by imposing consistent rules for incidental storage in all similar facilities at the airport.
- Provides airport sponsors with the ability to permit certain non-aeronautical items to be stored in hangars provided the items do not interfere with the aeronautical use of the hangar.
- Allows an airport sponsor to request FAA approval of an interim use of a hangar for non-aeronautical purposes for a period of 3 to 5 years.
- Allows an airport sponsor to request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis.

Question 11. What are the policy changes for homebuilders?

The FAA understands the substantial convenience to aircraft builders of locating the entire aircraft construction process at the same location, specifically in an airport hangar. The new policy offers protections that never existed in the FAA's prior policy. This is provided that a wait list for hangar use of active airworthy aircraft does not exist at the time.

First, the FAA recognizes amateur-built aircraft construction as an aeronautical activity to be accommodated at airports on reasonable terms, without unjust discrimination and without granting an exclusive right. Second, the new policy provides for the safe construction of amateur-built aircraft in hangars (See Question 8). As an airport asset management tool, an airport sponsor leasing a vacant hangar for amateur-built aircraft construction may incorporate benchmarks in the lease to ensure the construction project proceeds to completion in a reasonable time.

Question 12. Is it possible that some aspects of aircraft construction may not be permissible in all hangars?

Some hangars may not be designed to accommodate aircraft construction or all phases of aircraft construction.

Airport sponsors have an obligation to mitigate inherent hazards in the operation, and to prevent unsafe conditions or practices.

For example, a sponsor could prohibit painting or other use of volatile or highly flammable materials in a hangar.

Question 13. Does the policy apply to privately constructed hangars on federally obligated airports?

An airport sponsor's permission to lease aeronautical land on the airport for construction of a hangar accepts the sponsor's conditions that come with that land, in return for the special benefits of the location. The fact that the tenant uses the land through a ground lease with the airport sponsor and constructs the hangar using tenant funds does not affect the airport sponsor's agreement with the FAA. That agreement requires the airport land and facilities, including aircraft hangars, to be used for aeronautical purposes.

Question 14. May hangars be used for aviation museums or non-profit organizations activities encouraging aviation?

An airport sponsor, at its discretion, may provide access to airport property at less than fair market rent to aviation museums and other non-profit, aviation-related organizations (including aviation-focused community-based organizations). However, there is no reason for such activities to displace aircraft owners seeking hangar space for storage of operating aircraft, unless the non-profit or community activity itself involves use and storage of operating aircraft. Accordingly, aviation museums and non-profit organizations have the same access to vacant hangar space as other activities that do not actually require a hangar for aviation use.

Question 15. How does the use of a hangar affect the rent charged?

If a hangar is being used for an aeronautical use, the airport sponsor will generally charge the tenant the airport's standard rate for aeronautical leases, which should recover the airport's costs but which may be less than fair market rent. If the hangar is used for an interim non-aeronautical purpose, the sponsor must charge fair market rent for the hangar. Please consult the Airport Compliance Handbook for the application of below-market rent for aviation museums and other aviation related non-profit organizations.

Question 16. If there is no unsatisfied aviation demand for hangars, can they be leased to generate revenue from non-aeronautical uses?

If a sponsor has empty aeronautical use hangars for which it has no current aeronautical demand, it may seek FAA approval to lease those hangars to non-aeronautical tenants in one of two ways.

Option 1 - When a sponsor wants to lease aeronautical hangars to a tenant for an extended time period (usually 3 to 5 years), it can request FAA approval for interim non-aeronautical use of a hangar until there is demand for an aeronautical purpose. The sponsor must charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes.

Option 2 - A sponsor may also request FAA approval of a leasing plan for the lease of vacant hangars for non-aeronautical use on a month-to-month basis.

Once the sponsor receives initial FAA approval, it may lease the open space for consecutive 30-day periods without further approval.

The sponsor must charge a fair market commercial rental rate for any hangar rental or use for non-aeronautical purposes.

However, aeronautical use must receive priority consideration and accommodation over non-aeronautical use, even if the rental rate would be higher for the non-aeronautical use.

Question 17. For the purpose of airport access and hangar use, how are UAS categorized?

UAS activities regulated or authorized by the FAA are categorized as "aircraft operations" under 49 USC

§47102(a)(6). Further, the interpretation of 49 USC §47107(a)(1) and Grant Assurance 22 includes certain UAS activities as aeronautical. Therefore, airport access for UAS, either as an aircraft or as an aeronautical activity is linked to FAA's UAS regulatory actions which may include, but are not limited to; airworthiness, operational rules, flight training, airspace integration, etc. UAS operation is an aeronautical activity/use for the purpose of airport access and use, if the UAS (as a complete UAS system) is regulated by FAA as one of the following:

- Operations under 14 CFR Part 107 or any future 14 CFR UAS operating regulation; or
- Certificate of Waiver or Authorization (COA) Section 333; or
- UAS operations with an Airworthiness Certificate issued under 14 CFR Part 21; and
- Under 49 USC 47107 (a), an activity necessitating the use of an airport's infrastructure, facilities, and services, protected airspace, or ATC services to conduct operations;
- UAS Department of Defense and Public Aircraft operations pursuant to 49 USC) 40102(a)(41) and 40125;

Question 18. In cases where an UAS operator seeks hangar access/use, how should the airport sponsor manage UAS vis-à-vis other conventional aircraft or aeronautical activities?

With the FAA Response to Question 10 as baseline, in all cases, the airport sponsor must reasonably accommodate the UAS activity without unjust discrimination and do so safely. Accommodating an UAS or UAS activity may necessitate:

- developing safety requirements;
- providing access to the airport runway and other movement areas (take-off and landing, taxiing);
- providing access to other airport infrastructure, airport protected airspace/surfaces, and airport services (including storage); and
- access to undeveloped airport property.

Making hangar space available to an UAS operator is consistent with the federal obligations and established policy. UAS operator may "compete" with other aeronautical users for hangar space. This competition is also common for traditional users, namely airplane and jet operators, in places where demand is higher than the space available.

Ultimately, it is the sponsor's decision on how it allocates hangar space. For example, a sponsor needs to consider many factors to decide whether to build a larger hangar for a jet corporate operator or smaller T-Hangars for single-engine aircraft.

In all cases, the FAA expects airport sponsors to exercise adequate discretion and reasonably apply lease terms, rules and regulations, rates, and consider relevant variables. Such

considerations may include: available space in vacant hangars; hangar sharing and subleasing; available ramp space; and land accessibility for UAS set-up, preflight, or storage.

Related specifically to UAS operations and hangars, reasonable and non-unjustly discriminatory airport and hangar use will depend upon the type and characteristics of the UAS system in question.

For example, a reasonable accommodation for a small Part 107 UAS may include permitting smaller storage structures (possibly mobile) creating training areas (i.e., secluded ramp area, "drone cage"), ingress and egress routes, etc.

On the other hand, reasonably accommodating a larger Section 333 UAS with a 20-foot wingspan may include access to both standard hangars usually used by GA aircraft and the airport's taxiways.

Finally, it is important to consider that certain UAS operations may require addressing specific safety issues not previously considered for more traditional aeronautical activities. Any safety-based measures should be risk-based and coordinated with the FAA.

APPENDIX 2 HANGAR INSPECTION FORM

Hangar #:	Keystone Heights Airport Hangar Inspection Form		
	Inspector Name:		
	Inspection Date:		
TENANT/OCCUPANT INFORMATION			
Name(s):			
Mailing Address:		City, State, Zip	
Phone:		Emergency Phone:	
Email:			
Registered Aircraft in Hangar:			
HANGAR EXTERIOR/INTERIOR CONDITIONS			COMPLIANT
NON-COMPLIANT			
Lack of visible physical damage that requires repair or replacement.			
Interior lights/electrical working without issue			
Hangar door operating correctly.			
Floors clean of oil, grease, and toxic chemicals; trash disposed into acceptable containers.			
No outside storage of loose items.			
PERMITTED USES AS DEFINED BY FAA, LCMC CHAPTER 7.5, AND LRU HANGAR GUIDELINES			COMPLIANT
NON-COMPLIANT			
Storing active aircraft; sheltering aircraft for maintenance, repair, or refurbishment; constructing amateur-built or kit-built aircraft if activities are conducted safely.			
Storage of aircraft handling equipment, e.g. tow bars, glider tow equipment, workbenches, equipment, tools, and materials used in servicing, maintenance, repair, or outfitting of aircraft.			
Storing materials related to aeronautical activity, e.g., balloon and skydiving equipment, office equipment, teaching tools, and materials related to ancillary or incidental uses.			
A reasonable amount of functional furniture is only for use in the hangar such as a table and chairs.			
Operation of an authorized aeronautical business.			
Other items determined to be allowable, based on their function and the personal needs of the occupant.			
PROHIBITED USES AS DEFINED BY FAA, LCMC CHAPTER 7.5, AND LRU HANGAR GUIDELINES			COMPLIANT
NON-COMPLIANT			
Indefinite storage of non-operational aircraft and parts; storage of household items or inventory or equipment supporting a non-aeronautical business; storage of items prohibited by local or state law.			
Use as a residence.			
Operation of a non-aeronautical business.			
Activities and/or items that impede the movement of the aircraft or other aeronautical contents.			
Unauthorized painting operations.			
COMMENTS:			
Re-inspection required?	Yes	No	Signature
THIS IS AN OFFICIAL NOTICE TO CORRECT THE ABOVE VIOLATIONS WITHIN _____ DAYS, AT WHICH TIME A RE-INSPECTION WILL BE PERFORMED. FAILURE TO COMPLY MAY RESULT IN FURTHER ACTION AS DETERMINED IN LCMC CHAPTER 7.5.			
Re-inspection Date:	Inspector (print)		Signature
Re-inspection results	Pass	Fail	Signature

EXHIBIT A

Mandatory Lease Clauses

Mandatory Lease Clauses

1. **BENEFIT TO PUBLIC.** Lessee agrees to operate the premises leased for the use and benefit of the public:
 - A. To furnish good, prompt, and efficient service adequate to meet all the demands for its service at the airport.
 - B. To furnish said service on a fair, equal, and non-discriminatory basis to all users thereof, and
 - C. To charge fair, reasonable, and non-discriminatory prices for each unit of sale or service, provided that the lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

2. **NON-DISCRIMINATION.** The Lessee, his agents, and employees will not discriminate against any person or class of persons by reason of race, color, creed, or national origin in providing any services, or in the use of any of its facilities provided for the public, in any manner prohibited by Part 15 of the Federal Aviation Regulations.

The Lessee further agrees to comply with such enforcement procedures as the United States might demand that the Lessor take in order to comply with Sponsor Grant Assurances.

3. **SELF SERVICING.** It is clearly understood by the Lessee that no right or privilege has been granted which would operate to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own regular employees

EXHIBIT A
Mandatory Lease Clauses

(including, but not limited to, maintenance and repair) that it may choose to perform.

4. **EXCLUSIVE RIGHTS.** It is understood and agreed that this agreement shall not be construed in any manner to grant Lessee or those claiming under it the exclusive right to and use of the premises and facilities of the Lessor other than those premises leased exclusively to the Lessee herein.

5. **AIRPORT IMPROVEMENTS.** Lessor reserves the right to further develop or improve any and all airport property as it sees fit, regardless of the desires or the view of the Lessee, and without hindrance or interference.

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

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

8. **SUBORDINATE TO U.S. GOVERNMENT PROVISIONS.** This lease shall be subordinate to the provisions of any existing or future

EXHIBIT A

Mandatory Lease Clauses

agreement between Lessor and the United States, relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport.

9. **GRANT ASSURANCES.** Public owners of airports to which the FAA has made tentative allocations of federal airport funds before entering into Grant Agreements must assure the FAA that all existing leases concerning the providing of any service to the public on the airport contains Clauses 1-9 of these Mandatory Lease Clauses. If any existing leases do not contain these clauses, they should be amended prior to submission to FAA. It is recommended that the remaining clauses listed in these Mandatory Lease Clauses also be included in the lease.

10. **DEBRIS REMOVAL.** An explicitly understood priority shall be given to debris removal of runways, taxiways, aircraft parking aprons and public streets, roads, and driveways. Lessee of ground leases shall be responsible for removing any debris on their parcel whether caused by natural or man-made occurrences.

11. **ASSIGNMENT AND SUBLETTING.** The Lessee shall not assign, transfer, mortgage, pledge or sublet its rights in this lease nor grant any concession hereunder, in whole or in part, without the prior written consent of the Lessor. Such consent shall not be unreasonably withheld.

12. **NON-DISCRIMINATION:** During the performance of this agreement, Lessee agrees to the following:

No person shall on the grounds of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, sexual

EXHIBIT A
Mandatory Lease Clauses

orientation or age be excluded from the full employment rights in, participation in, be denied the benefits of or be otherwise subjected to discrimination under any and all applicable federal and state laws against discrimination.

13. **DATA PRACTICES.** All data collected, created, received, maintained or disseminated for any purposes by the activities of the Lessee because of this Lease is governed by the Florida Information Protection Act of 2014 as amended, the Florida rules implementing such act now in force or as adopted, as well as federal regulations on data privacy.

14. **INDEPENDENT CONTRACTOR.** Nothing contained in this agreement is intended or should be construed as creating the relationship of co-partners or joint ventures with the Lessor. No tenure or any rights or benefits, including worker's compensation, unemployment compensation, medical care, sick leave, vacation leave, severance pay, PERA, or other benefits available to Lessor's employees shall accrue to Lessee or its employees who perform services during the term of this Lease.

15. **RIGHT OF INSPECTION.** The Lessor reserves and retains for its officers, employees, and authorized representatives the full and unrestricted right to enter the premises for the purpose of inspecting or protecting such premises and of doing any and all things which the Airport Manager deems necessary for the proper and general conduct and operation of the Keystone Heights Airport.

EXHIBIT A
Mandatory Lease Clauses

16. **TERMINATION AND CANCELLATION.**

A. **Termination:** This agreement shall terminate at the end of the term thereof, and the Lessee shall have no further right or interest in the premises or improvements except as may be herein specifically provided.

B. **Default by Lessee:** This Agreement shall be subject to termination by the Lessor in the event the Lessee shall:

1. In the event any payment is in arrears more than twenty (20) days, then Lessor may, but shall not be required to, send notice of the default. In the event notice of the default is sent, then Lessee shall have ten (10) days after receipt to cure such default. In the event the default is not so cured, then the lease may be terminated at Lessor's option. Such right for Lessor shall exist regardless of previous forbearance.
2. File a voluntary Petition in Bankruptcy.
3. Abandon the premises.
4. Default in the performance of any of the covenants and conditions required to be performed by the Lessee herein (except for the rental payment specifically mentioned above), and such default continuing for a period of thirty (30) days after receipt of notice from the Lessor of the default.
5. If the Lessee shall make an assignment for the benefit of creditors.
6. If the Lessee's license shall be cancelled.

EXHIBIT A

Mandatory Lease Clauses

In any of the above events, the Lessor may take immediate possession of the premises and remove the Lessee's effects, forcibly, if necessary, without being deemed guilty of trespassing. Upon such entry, this Agreement shall terminate. It is agreed that the failure of the Lessor to declare this Agreement terminated upon the default of Lessee for any of the reasons set forth shall not operate or bar or destroy the right of the Lessor to declare this Agreement null and void by reason of any subsequent violation of the terms of this Agreement.

All property of the Lessee which is located on the premises, whether exempt from execution or not, shall be found by and subject to a lien for the payment of any rent or fees, and for any other damages arising from a breach by the Lessee of any portion of this Agreement, and the Lessee agrees that the Lessor may take possession of said property, or any part or parts thereof, and sell or cause the same to be sold at a public or private sale, without notice, to the highest bidder for cash, and apply the proceeds of said sale toward the cost thereof and then towards the indebtedness, or other damages.

C. In the event of default by Lessee, the Lessee shall be liable to the Lessor for the balance of the rent herein reserved and all costs of collection, including reasonable attorney's fees.

D. The Lessee may negotiate with the Lessor for the suspension or reduction of the payment of fees called for under this Agreement in the event that the United States Government or any of its agencies shall occupy the Airport or any substantial part thereof to such an extent as to materially interfere with Lessee's operation.

17. **TAXES, LICENSES, DEBTS.** The Lessee covenants and agrees to pay promptly all valid taxes, excises, license fees, permit fees, bills,

EXHIBIT A
Mandatory Lease Clauses

debts and obligations incurred by it in connection with its operations of said business on the leased premises, and not permit the same to become delinquent and to suffer no lien, mortgage, judgment or execution to be filed against said property or improvements thereon which will in any way be an impairment to the right of the Lessor under this lease.

18. **INSURANCE.** At all times during the term of this lease, Lessee agrees that it will, at its own cost and expense, provide and keep in force for the benefit of the Lessee and the Lessor as additional insured, a policy or policies of insurance as follows, unless otherwise specified:

- A. Bodily injury and property damage combined single limit insurance in an amount not less than \$1,000,000.00 per occurrence.
- B. Automobile insurance in an amount not less than:
 - 1. Liability - \$100,000.00 per person; \$300,000.00 per occurrence;
 - 2. Property - \$25,000.00 per occurrence.

The Lessee is responsible for any deductible payment on any such insurance on all above insurance policies.

Certificates evidencing such insurance is current and active shall be kept on file in the Airport Manager's Office.

19. **INDEMNIFICATION OF LESSOR AGAINST CLAIMS AND PERSONAL INJURY OR PROPERTY DAMAGE.** Lessee shall defend, indemnify and hold harmless from and against any claim, loss, expense or damage to any person or property in or upon the leased premises or any area allocated to or used exclusively by Lessee's use or occupancy of said premises, or any act or neglect of Lessee or Lessee's servants, employees or agents, or any change, alteration or improvement made by Lessee in the leased premises.

EXHIBIT A
Mandatory Lease Clauses

20. **WAIVERS.** No waiver or default by the Lessor of any of the terms, covenants or conditions hereof to be performed, kept and observed by the Lessee shall be constructed as, or operate as, a waiver by the Lessor of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the Lessee.

21. **SURRENDER AND HOLDING OVER.** The lessee covenants that at the expiration of the period for which the demised premises are leased to it, or at the earlier termination of the letting thereof, it will quit and surrender said premises in good state and condition, reasonable wear and tear excepted. Should the Lessee hold over the use of or continue to occupy the leased premises after expiration of the lease, such holding over will be as a tenant at sufferance for which use it shall pay rent at double the amount herein provided and in addition be liable for any and all damages resulting from such tenancy.

22. **QUIET ENJOYMENT.** Lessor covenants for itself, its successors and assigns that Lessee, upon payment of the rent and performance of Lessee's other covenants herein, shall and may peaceably and quietly have, hold and enjoy the leased premises during the primary term and any renewal terms thereto.

Lessor and its agents and employees shall use due care to treat confidential all matters pertaining to Lessee's business, except those things which of necessity must become part of public record, it being recognized that Lessor is subject to Florida State Law regarding open records and open meetings. Lessor shall make every effort to not provide individual numbers concerning individual locations and records of their sales to the public.

EXHIBIT A
Mandatory Lease Clauses

23. **NOTICES.** Any notices required to be given hereunder shall be given by first class mail, or telegram, addressed to the respective addresses below, or such other address as may be specified in writing from time to time:

LESSOR

Keystone Heights Airport Authority
7150 Airport Road
Starke, FL 32091

LESSEE

24. **MERGER AND MODIFICATION.** It is understood and agreed that the entire agreement between the parties is contained herein and that this agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter. All items referred to in this agreement are incorporated or attached and are deemed to be a part of this agreement.

Any material alterations, variations, modifications or waivers of provisions of this agreement shall be valid only when they have been reduced to writing as an amendment hereto signed by both parties.

25. **DESTRUCTION OF LEASED PREMISES.** In the event that the leased premises shall be rendered wholly or partially unfit for use by fire or other casualty, the Lessor may, at its option, repair the said premises, if the repairs can be reasonably accomplished within ninety (90) days after the said destruction. All such repairs shall comply with State of Florida Building Codes.

In the event that the leased premises are rendered wholly unfit for use by the Lessee, the Lessee has the option of vacating the premises during the period of

EXHIBIT A
Mandatory Lease Clauses

repair, during which period, until the premises are again ready for at least partial occupancy, no rent shall accrue or, in the alternative, Lessee may consider the agreement to have been terminated. In the event the leased premises should be rendered partially unfit for use by the Lessee by fire or other casualty to the extent that more than fifty (50%) percent of the value of the leased premises has been destroyed, the Lessee may move from the leased premises unless the Lessor promptly proceeds to repair or eliminate the conditions which constitute a health hazard. If the Lessor proceeds to repair the premises and the Lessee remains in possession, shall abate to the extent that the Lessee is deprived of the full, normal use thereof.

This paragraph shall not apply to any damage or condition occasioned by the neglect or improper use of the leased premises by the Lessee.

26. **OTHER AGREEMENTS.**

A. **Successor and Assigns.** This lease shall be binding upon and inhere to the benefit of the parties hereto, their successors and assigns.

B. **Applicable Law.** This lease shall be governed by and construed in accordance with the laws of the State of Florida.

C. **Jurisdiction.** Any claim or other matter in question arising out of or related to this Agreement which is not resolved as provided for may be litigated in the District Court of the State of Florida and venued in the county where this Agreement has been executed, that being Bradford or Clay County as applicable.

D. **Entire Agreement -- Modification in Writing, Signed and Delivered by Both Parties.** This lease contains all of the agreement and representations between the parties. None of the terms of this lease shall be waived or modified to any extent, except by a written instrument signed and delivered by both parties.

EXHIBIT A
Mandatory Lease Clauses

E. Severability of Invalid or Unenforceable Clause -- Remainder of Lease Enforceable-Clause Applicable to Other Persons and Circumstances. If any clause, phrase, provision or portion of this lease or the application thereof to any person or circumstance shall be invalid, or unenforceable under applicable law, such event shall not affect, impair or render invalid or unenforceable the remainder of this lease, nor any other clause, phrase, provision or portion hereof, nor shall it affect the application of any clause, phrase, provision or portion hereof to other persons or circumstances.

F. Attorney's Fees. In the event this agreement is placed in the hands of an attorney for collection of rental, fees or damages, or any portion thereof, due or becoming due hereunder, or to take possession of the premises, or to enforce compliance with the agreement, or for failure to observe any of the covenants of this agreement, the Lessee shall pay the Lessor reasonable attorney's fees for services rendered the Lessor in that regard.

G. No-Smoking Policy. In order to serve the health, safety and general welfare of the public and all airport employees, smoking shall not be permitted in the leased premises.

EXHIBIT B
KEYSTONE HEIGHTS AIRPORT
COMMERCIAL OPERATORS' BUSINESS APPLICATION

Business Name: _____
Applicant Name: _____ Title: _____
Home Address: _____
City, State, Zip: _____
Business Address (If one exists): _____
City, State, Zip: _____
Phone (work): _____ (Cell): _____ (emergency): _____
Email Address: _____

Business Activity To Be Offered (Check All That Apply):

- Single/Multiple Service Operator
- Aircraft Charter Services
- Aircraft Maintenance and Repair Services
- Full-Service Fixed Base Operator
- On-Airport Rental Car Concession
- Specialized Aeronautical Services
- Specialized Aircraft Repair Services (list service) _____
- Specialized Commercial Flying Services (list services) _____
- Mobile Certified Flight Instruction
- Warehouse
- Outdoor Storage/Staging Area
- Other _____
- Aircraft Leasing or Rental Services
- Flight Training Services
- Aircraft Sales Services
- Off-Airport Rental Car Concession

EXHIBIT B
INTENDED SCOPE OF ACTIVITIES

- Amount of Land to be Leased or Subleased: _____
- Building Space to be Constructed: *(Attach Construction Plans)*
- Number of Aircraft (or Vehicles) to be Provided, if applicable: _____
- Number of Qualified and/or Certified Employees: _____
- Hours of Proposed Operation: _____
- Evidence of Minimum Insurance Coverage as Established by Airport: *(Attach Separate)*
- Evidence of Appropriate FAA and City and/or State Licenses: *(Attach Separate)*
- Evidence of Operator's Financial Capability to Perform the Proposed Services and Provide and Maintain Required Facilities: *(Attach Separate)*
- Evidence of Operator's Level of Competency and Experience in Successfully Performing the Proposed Services: *(Attach Separate)*

I, the above-named Applicant, hereby request the above action from the KHAA for the privilege of conducting commercial aeronautical or non-aeronautical activities on the Keystone Heights Airport. I have completed the foregoing application and know the contents thereof. I understand that I am responsible for any fees or charges that shall accompany this permit. I agree to abide by Airport Minimum Operating Standards and all rules and regulations of the Keystone Heights Airport, the State of Florida, and the Federal Aviation Administration.

Signature of Applicant

Date

EXHIBIT C
KEYSTONE HEIGHTS AIRPORT
COMMERCIAL BUSINESS PERMIT

(Required to conduct commercial activity on the airport)

_____ is hereby granted the privilege of conducting commercial activities on the airport and, in consideration of this request being granted, does agree to the following:

Business or Activity Permitted (Check all that apply):

:

- Single/Multiple Aviation Service Operator
- Aircraft Charter Services Aircraft Leasing or Rental Services
- Airframe Maintenance and Repair Services Powerplant Maintenance and Repair
- Aircraft Sales Services Flight Training Services
- Rental Car Concession Mobile CFI Flight Instruction
- Specialized Aircraft Repair Services (list service) _____
- Other _____

Please refer to the Airport Minimum Operating Standards for further information on specific types of businesses.

APPLICATION FEE: \$50

ANNUAL BUSINESS FEE PAID: \$_____ (Refer to Exhibit F)

PERMIT LIMITATIONS: This permit may not be assigned or transferred, and is limited to only the approved business activity listed above.

INFORMATION CHANGES: The Applicant shall notify the Airport Administration Office in writing within fifteen (15) days of any change to the information provided on this form.

INDEMNIFICATION: The Applicant shall indemnify and hold harmless the *Keystone Heights Airport*.

COMPLIANCE WITH THE LAW: The Applicant shall comply with all applicable laws, ordinances, rules and regulations.

The undersigned representative certifies he/she is authorized to sign for the business and acknowledges receipt of a copy of this permit.

Authorized Business Representative Date Signed

Authorized Airport Representative Signature Date signed

Return Original To:
Attn.: Airport Manager
Keystone Heights Airport
7150 Airport Road, Starke, FL 32091

******* Airport Administration Use Only *******

Documents provided to applicant upon Granting Permit

- Airport Minimum Operating Standards
 - Receipt for Payment of Fees
 - Airport Access/Vehicle Permit (Exhibit G)

Additional attached documents if applicable

- Lease/License Agreement
- FAA Certificates
- Certificates of Insurance
- Copy of submitted FAA Form 7460-1
- Certified Survey
- Business License/ID
- Copy of notification to the respective county's (Bradford/Clay) Property Appraiser's office for notice of change for Ad Valorem tax.

AIRPORT MANAGER'S COMMENTS:

Approved By:

Airport Manager (or Designee)	Date Signed
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KEYSTONE HEIGHTS AIRPORT AUTHORITY BOARD COMMENTS:

EXHIBIT D
KEYSTONE HEIGHTS AIRPORT
CONSTRUCTION APPLICATION FORM

The Construction Application form shall be completed and submitted to:

Keystone Heights Airport Authority
Attn: Airport Manager
7150 Airport Road
Starke, FL 32091

Questions shall be directed to:

Craig Coon, Airport Manager
(352) 473-0031 office ccoon@keystoneairport.com

These items are required prior to the Keystone Heights Airport Authority Board reviewing an application for construction. Fill out all those that apply:

Applicant's Name: _____

Applicant's Address:

Applicant's Information: Home () _____ Work() _____

Cell() _____ Email: _____

Reason for Application:

Proposed Location/Building:

Proposed Use:

Building Size:

Length: _____ Width: _____ Height: _____

Notes: _____

(Hangars: approximate hangar door size, direction of access, number of units, etc.)

Type of Construction materials Proposed:

Wood: Metal: Wood/Metal Combination: Other: Specify _____

Exterior Colors: Main: _____ Trim: _____ Doors: _____ Roof: _____

Signage: Dimensions: _____ Material: _____ Color: _____

Utilities Requested:

Electrical: Water: Sanitary Sewer: Telephone: Internet:

All information will be kept confidential and will not be given or sold to a third party.

EXHIBIT E

KEYSTONE HEIGHTS AIRPORT **ANNUAL FEES FOR COMMERCIAL BUSINESSES** *(Required to conduct commercial activity on the airport)*

<u>Commercial Entity</u>	<u>Annual Fee</u>
Aeronautical business	\$600
Non-Aeronautical	\$600

EXHIBIT F
KEYSTONE HEIGHTS AIRPORT
AUTHORIZED VEHICLE PERMIT

(Required for access within fenced area of the airport)

_____ is hereby granted the privilege of driving their personal or company vehicle(s) on airport Taxilanes, Aprons, and Taxiways to access their leased hangar(s). In consideration of this request being granted, driver(s) agree to the following:

PERMIT LIMITATIONS: This permit may not be assigned or transferred, and is limited to only the approved individual(s) or business activity listed above.

INFORMATION CHANGES: The Applicant shall notify the Airport Administration Office in writing within fifteen (15) days of any change to the information provided on this form.

INDEMNIFICATION: The Applicant shall indemnify and hold harmless the *Keystone Heights Airport*.

COMPLIANCE WITH THE LAW: The Applicant shall comply with all applicable laws, ordinances, rules and regulations.

The undersigned certifies he/she is authorized to sign as the Lessee or for the business and acknowledges receipt of a copy of this permit.

Authorized Lessee/Business Representative

Date Signed

Authorized Airport Representative Signature

Date signed

EXHIBIT G



"Honoring the Past, Embracing the Future"

Keystone Heights Airport Authority

T-Hangar and Corporate Hangar Waiting List Policies and Procedures

1. Vacant hangars will be offered to individuals on the hangar wait list. For a person to appear on the hangar waiting list **they shall:**

A. COMPLETE AND FILE A HANGAR REQUEST APPLICATION WITH AIRPORT ADMINISTRATION

Applicants are solely responsible for maintaining a current address, email, and telephone numbers on their application. The applicant must currently own an aircraft and the aircraft owners name must match the FAA Registration Certificate of Aircraft name if other than the individual's name.

Airport Administration will check N numbers at www.faa.gov. Hangars will not be leased to individuals that do not own an aircraft. Applications are for one hangar only and no one may apply for additional hangars until they have signed a lease and occupy a hangar removing them from the list. Additional hangar requests will be placed at the bottom of the current list.

B. PAY HANGAR DEPOSIT FEE.

1) All persons on the T-Hangar and Corporate Hangar waiting list, either existing or new, shall make a \$250.00 hangar deposit. Checks should be payable to - Keystone Heights Airport Authority.

2) The hangar deposit shall be applied to the first month's hangar rent. The \$250.00 deposit will be refunded if an applicant removes their name from the hangar waiting list by choice, or if an applicant is removed from the list by Airport Administration for declining a hangar space.

C. STIPULATE T- HANGAR OR CORPORATE HANGAR DESIRED.

An applicant shall be knowledgeable of the hangar sizes and accommodations. Applicant is solely responsible for selecting the appropriate hangar.

2. Position on the hangar waiting list. Waiting list position for new applications shall be determined by the date the correctly completed hangar application is received by the Airport Manager either via US mail or via walk-in at the Airport Office, 7150 Airport Road, Starke, FL 32091.

3. Hangar offers shall be made chronologically (oldest date to the most Recent). When a hangar matching an applicant's preference becomes available, an offer notification will be made by Airport Administration. To accept the offer, the applicant must:

A. Reply in the affirmative within five (5) days of the date when positive notification was made with the applicant (weekends and holidays excluded).

B. Aircraft acquisition: Have an aircraft registered to the applicant in the hangar within forty-five (45) days from the date Airport Administration received the applicant's acceptance and hangar rental payment. Failure to have an airworthy aircraft registered to the applicant in the hangar within 45 days of acquiring the hangar may result in termination of rental agreement and removal from the hangar. A copy of the aircraft insurance shall be provided to the Keystone Heights Airport Authority and the policy shall show the "Authority" as additional insured. NO AIRCRAFT EXCEPT FOR THE LISTED AIRCRAFT SHALL BE STORED OR OCCUPY ASSIGNED HANGAR. Exceptions may be made by the Airport Manager under certain circumstances.

4. Aircraft Administration Staff shall make every effort to contact the person in the top position of the hangar waiting list either by mail, email or telephone when a hangar becomes available. It is the applicant's responsibility to provide the most current contact information.

5. No contact, failure to respond or a "not interested" response, to the hangar offer notification after 5 workdays (weekends and holidays excluded), shall be interpreted as - applicant is no longer in need of a hangar and the next individual on the list will be contacted. Applicant's deposit will be refunded and they will be removed from the waiting list.

6. Persons removed from the hangar waiting list may restore their names to the bottom of the waiting list by filling out a new application. If a past deposit was returned, a new deposit will be required.

7. Experimental aircraft applicants may apply to the wait list; however, so long as a waiting list exists, experimental planes in the build stage(s), will not be considered for hangar space. Only airworthy (FAA definition) aircraft may acquire a hangar. Experimental owners may be skipped over until the aircraft is flyable.

8. Deposits shall be either check or money order. In the event a check is returned for NSF or other reason, the applicant will have five 5 workdays to remedy or will be removed from the list.

9. Applications and deposits shall be mailed or delivered via walk-in to the Airport Administration Office at 7150 Airport Road, Starke, FL 32091.

10. Positions on the hangar waiting list shall not be transferred, traded or sold.

11. As newly constructed T-Hangars and Corporate Hangars become available, existing tenants, in good standing, may request the opportunity to upgrade. This would be based on their seniority/move in date. Existing tenants in this situation may not accept a new hangar as a secondary hangar; they must vacate their existing hangar.

12. Hangars are for the exclusive storage of Aircraft. If the owner is storing their aircraft at another location and staff determines excessive vacancy, cars, boars or that other material is being stored in said hangar, contact will be made with the lessee. If not rectified, the "Authority" may terminate the lease agreement. The hangars are not assumed to be seasonal i.e.: Tenant moves aircraft back up north for the summer but arrangements can be discussed with the Airport Manager for consideration.



"Honoring the Past, Embracing the Future"

KEYSTONE HEIGHTS AIRPORT T-HANGAR AND CORPORATE HANGAR APPLICATION FORM

THIS APPLICATION IS NOT A HANGAR OFFER OR RENTAL AGREEMENT

APPLICANT PERSONAL INFORMATION

Name (Last, First, Initial): _____

Name of Company (If applicable):

Mailing Address: _____

Phone: _____

Email: _____

APPLICANT AIRCRAFT INFORMATION

MAKE & MODEL: _____

REGISTRATION NUMBER: N- _____

HANGAR SIZE REQUEST (Circle one or more options)

OPTION 1 - T-Hangar

Buildings A & B:

1. Door Height: 12'
2. Width: 41'
3. Depth: 31'

OPTION 2 - Corporate Hangar

Buildings C & E:

1. Door Height: 12'
2. Width: 60'
3. Depth: 60'

STATEMENT OF ACKNOWLEDGEMENT

I understand that in order for an applicant to be placed on the waiting list, applicant must submit the required deposit within 5 working days of the date of the application. The deposit will be applied to the first month's hangar rent. Deposits are refundable if an applicant decides to remove their name from the list. Each applicant must have an aircraft registered in his/her name at the time of application, or within 45 days from the effective date of the lease. Positions on the hangar waiting list are not to be transferred, traded or sold.

APPLICANT SIGNATURE:DATE:.....

FOR AIRPORT USE ONLY

Airport records confirm the deposit has been received and the N-number verified

VERIFIED BY:DATE: