

Jasper County Aviation Leasing Policy

LEASING POLICY

This Policy provides a framework governing leasing and rental decisions as they relate to development of general aviation and new leasing agreements.

I. DEFINITIONS

The words or phrases defined (and identified by use of a capital letter) in the Airport's Primary Guiding Documents (including, but not limited to, General Provisions, General Aviation Leasing Policy, General Aviation Minimum Standards, and Rules and Regulations), whenever used in this Agreement, shall be construed as defined therein unless (from the context) a different meaning is intended or unless a different meaning is specifically defined and more particularly ascribed to the use of such words or phrases.

II. GENERAL

Description

Jasper County ("County"), as Operator of Ridgeland Claude Dean Airport ("Airport") does hereby establish the following Leasing Policy for the Airport:

- The Leasing Policy is intended to provide potential and current Tenants an understanding of the policies, processes, and rates used by the County when leasing property at the Airport.
- The Leasing Policy was developed taking into consideration: the role and continued development of the Airport; the range, level, and quality of aeronautical products, services, and facilities currently being provided at the Airport; the future prospects for, and the anticipated development of, the Airport and the community, the need for the Airport to be as self-sufficient as possible, and the promotion of fair competition at the Airport.

The Policy sets forth the parameters for leasing Airport buildings and/or land and has been established for the following purposes:

- To foster a spirit of partnership with its Tenants, while fulfilling duties as steward of vital public assets and resources;
- To make Airport property available on fair and reasonable terms without unjust discrimination;
- To retain effective management controls over the use of scarce Airport assets, ensure land is developed at its highest

and best use, and seek to remove obstacles to such controls when opportunities arise;

- To maintain a rent and fee structure with the goal of financial self-sustainability per the FAA Policy Regarding Rates and Charges and the Grant Assurances;
- To ensure that leased parcels are actually developed for use and not leased for anticompetitive reasons to prevent development;
- To ensure that available capacity neither materially exceeds, nor materially falls short of the reasonable needs of the community served by the Airport;
- To ensure compliance with applicable laws, regulations, policies, executives orders, guidelines, and requirements.

Administration and Policy Oversight

While the County has the ultimate policy-making authority in this regard, the Airport's Manager or his/her designee shall interpret and enforce this Leasing Policy.

This Leasing Policy is not intended to, and does not, waive, modify or in any way limit or preclude the exercise of any rights the County may have under existing law and/or Agreements, and all such rights are and shall be expressly reserved.

Variances and Deviations

The County reserves the right to authorize variances or deviations from this Leasing Policy. Such variances or deviations may include waiving or modifying certain criteria or requiring Tenants or Operators to meet additional criteria. All requests for variances or deviations shall be made in writing in a form described by the County.

Lease Agreement

The County requires all Persons to obtain an Agreement, in a form approved by the County, prior to engaging in any business, commercial and/or private development activity on the Airport. All commercial activities must be authorized by the County pursuant to an approved Operator Permit.

Additionally, to ensure the Airport's financial sustainability, it is also the County's policy to establish market value land and facility rental rates and

make amendments to the rates at periodic intervals, in order to assure the Airport rental rates reflect inflation or other market driven changes.

All Agreements shall be prepared by the County's staff and legal counsel and shall include customary provisions included in the County's other similar Agreements.

Fees and Rents

Schedule of Fees

The fees and rents (see Exhibit B) hereinafter set forth shall be used in developing new written Agreements and shall also apply, to the extent possible, to all Tenants and users of Airport facilities, subject to periodic adjustment under existing leases and other Agreements.

Maintenance and Improvements

Tenants are required to maintain their lease improvements at all times over the course of the lease agreement. With the consent of the County, major improvements may be made to the hangar, and in an effort to assist in capitalizing those improvements, the Tenant may negotiate a lease term extension. The County Council may grant the lease term extension if they deem it appropriate.

III. REQUIREMENTS FOR LEASE EXTENSIONS ON EXISTING IMPROVEMENTS

Upon the expiration of the Original Term and any granted extensions, unless sooner terminated in accordance with the Agreement, the Tenant has the following options, unless otherwise indicated within the existing Agreement:

1. Extension.

- a. 1) All Tenants with Agreements expiring prior to December 31, 2025, shall be offered one (1) additional five (5) year lease under either option 5 or 6 below, provided they are in good standing and have performed the obligations under the Lease and Airport Rules and Regulations.
- b. Tenants who have made capital improvements totaling more than \$50,000 after 2015 which have not had a sufficient period to fully achieve a reasonable amortization of the improvements may request a new lease under Option 6. The extension term will be determined by the amount of investment and reasonable

amortization as determined in the County's sole discretion, but except in exceptional circumstances would not be for more than ten years. The new lease will be nontransferable and incorporate items 2-3 hereafter.

- c. Tenants with leases expiring after 2025 will be examined on a case-by case basis, and may be offered a substitute lease incorporating items 2-3 and 5, 6 and 7 hereafter, subject to the overall limitation that the term of the ground lease in total, including both the original term and extensions, shall not exceed 45 years.
2. Remove Improvement. If the present lease does not already provide that ownership of the hanger, fixtures and building structure ("Improvements") are the property of the County at termination/expiration in the County's sole discretion, Tenant shall remove the Improvements owned by the Tenant and unless otherwise agreed by the County, surrender the property to the County in good condition, repair, working order and appearance, free of waste and debris and environmental issues, with the removal to be completed prior to termination or expiration of the lease.
 3. Transfer Ownership to County. If provided for in the expiring or expired Lease, agreed to by the County, or in lieu of removal under item 2 above at Tenant's option, Tenant may transfer at no cost to the County the ownership (or title) of the Improvements owned by the Tenant and specifically designated by the County to the County, surrendering the property to the County in good condition, repair, working order and appearance, free of waste and debris and environmental issues. The County will not purchase Improvements at the expiration of any agreement. The County maintains the right to require the removal of improvements and alterations if the property has not been maintained and / or has no residual value, has been neglected by owner, has environmental issues, or no longer conforms to requirements. In such cases, the Tenant is responsible for removal and mitigation costs.
 4. Holdover. County may choose to continue the Agreement with the Tenant on a month-to-month basis (where holdover provisions allow). This is a temporary arrangement to be used during negotiations and resolution of termination/expiration/replacement lease situations.
 5. One-Time Replacement Lease. Tenant may also request a Replacement Lease Agreement without making Capital Improvements, provided they are in good standing and have performed the obligations under the Lease and Airport Rules and

Regulations. Tenant would maintain ownership of the Improvements during the lease term and be responsible for all taxes, maintenance and upkeep. Rental value for the ground would be at the adopted per square foot rate as adjusted for inflation/CPI rate in existence at the time of the execution of the Replacement Lease. Unless otherwise agreed by the County, all Improvements would become the property of the County under Option 3 at the end of the Lease.

6. New Lease Agreement for Capital Improvements. Tenant may request a new Lease Agreement with a pledge of Capital Improvements (Tenant Improvement Lease) extending the life of the hangar, to include but not limited to replacing exterior siding (including on the door skin), roof, hangar door operator and other mechanical components. Lease terms will be determined by the amount of investment and reasonable amortization as determined in the County's sole discretion, but except in exceptional circumstances would not be for more than ten years, and a goal of making the Airport as self-sufficient as possible. The request for Capital Improvements must go to the County, be approved and all work must be completed within the time provided in the New Lease Agreement, failure to complete at least 51% of the pledged capital improvements shall be grounds for termination on 90 days' notice to Tenant, and failure to complete 100% of the pledged capital improvements will result in a pro-rata reduction in the Term (i.e., if only 60% of the work is completed, then the Term may be reduced by 40%). Unless otherwise agreed by the County, all Improvements would become the property of the County under Option 3 at the end of the Lease.

7. Lease Reversionary Deferral Option. Tenant may also request a new Reversionary Deferred Lease Agreement ("RD Lease Agreement") without making Capital Improvements. While Tenant would maintain ownership of the hangar during the lease term and be responsible for all taxes, maintenance and upkeep, rent for ground and building would be determined not by the at the adopted ground lease rate per square foot rate as adjusted for inflation/CPI rate in existence at the time of the execution of the RD Lease Agreement, but at a rate including the use/value of the hangar calculated to make the Airport as self-sufficient as possible utilizing the FAA Guidelines and Grant Assurances, as determined from time to time by County Council on recommendation of Airport staff or a professional appraisal, with the goal of achieving financial self-sustainability. All appropriate factors, including reasonable methodologies that may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value, comparable terms of other similar facilities on the Airport and/or other similar

facilities at other comparable Airports in the region, shall be taken into account in establishing the rental rates and charges. The Term of the RD Lease is five (5) years, with a possible extension of up to five (5) additional years, in County's sole discretion. In no event should the reversionary deferred extended term (together with the original lease term for the hangar and any extensions) exceed 45 years. Unless otherwise agreed by the County, all Improvements would become the property of the County under Option 3 at the end of the Lease.

- 8. Unless otherwise stated above, all new lease agreements, Replacement Leases, or extensions will incorporate a reversionary clause as set forth in item 3 above as the only option at lease end.
- 9. The County Airport Reversionary Policy is a part of this Leasing Policy, and is attached as Exhibit A.

IV. REQUIREMENTS FOR NEW DEVELOPMENT

The term (length) of an Agreement for new development shall be established considering the amount of Tenant investment in physical/fixed improvements on the Airport. Subject to any applicable Regulatory Measures, the maximum term for a ground lease will be as follows:

Table 3-1 Agreement Term Investment Schedule*	
Aeronautical Related Facility	Total Years Including Extensions
\$150K	20
\$300K	25
\$600K or more	30

*Amounts based on construction costs of \$125.00 per square foot for new hangar construction.

Leasehold Development with Apron Access

Due to the cost and limited availability of aircraft parking aprons at the Airport, the goal of the Airport is to provide access to a publicly funded apron frontage to only those businesses that require the use of an apron and that provide aeronautical services to the public.

All leaseholds located along publicly funded aircraft parking aprons shall be subject to additional review. Any new lease with public apron access or projected to have public apron access will be required to demonstrate both

the need for the publicly available apron space and the aeronautical services they will provide for the public. A determination shall be made by the County that apron access is absolutely necessary and that no other options are available. Tenants requesting additional apron space will be required to prove to the County why construction of an apron expansion is not an option.

The associated Lease shall define the use and shall include an apron access termination clause for cause in the event Tenant changes the use to something that no longer requires apron access.

At no time will Tenants be allowed to reserve apron space for future development.

All buildings constructed along aprons shall be fifty (50') feet back from the publicly funded apron and that setback space shall be part of the leasehold, subject to additional restrictions, and maintained by the Tenant. New connections from the structure to the aircraft parking apron may be funded by the Airport, and the Improvements shall be special assessed back to the Tenant over a twenty (20) year period.

V. REQUIREMENTS FOR ALL LEASES

The following requirements are applicable to all Aviation Lease Agreements.

End of Lease

Ground Agreements shall provide that when the terms with current Tenants (being those with Leases in effect as of the adoption date of this Policy) expire, the Improvements shall be removed or they will revert to the County as set forth above in Article III, Items 2 or 3. Leases for new hangars constructed after the effective date of this Policy shall provide for reversion of Improvements to the County at no cost at the end of the Lease Term, with the property surrendered to the County in good condition, repair, working order and appearance, free of waste and debris and environmental issues. The County maintains the right to require the removal of improvements and alterations if the property has not been maintained and / or has no residual value, has been neglected by owner, has environmental issues, or no longer conforms to requirements. In such cases, the Tenant is responsible for removal and mitigation costs.

Tenant Responsibilities

All new Agreements shall require the Tenant to be responsible for, including but not limited to: insurance, taxes, janitorial, landscaping, lawn

maintenance, pavement upkeep, snow removal, trash removal, all other maintenance, utility costs, etc.

Rental Rates

All rental rates established in Airport Agreements shall be as determined from time to time by County Council on recommendation of Airport staff or a professional appraisal, with the goal of achieving financial self-sustainability. All appropriate factors, including reasonable methodologies that may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value, comparable terms of other similar facilities on the Airport and/or other similar facilities at other comparable Airports in the region, shall be taken into account in establishing the rental rates and charges.

Rent Adjustments

All rents shall be adjusted every five (5) years throughout the Original Term of all Agreements and any Renewal/Replacement Terms. In the intervening years, rent shall be annually adjusted based on the percentage change in the Consumer Price Index (CPI) as adopted by the County Council in its Budget Ordinance.

Sublease and Assignments

Certain approved Commercial Aeronautical Operators may sublease any portion of their leased space, but only with the prior written consent of the County through a County approved Operator Permit. Tenants may not assign their Agreements, whether by operation of law or otherwise, without the prior written consent of the County. Any such sale, assignment, or transfer without Lessor's prior express written consent shall be null and void and, at Lessor's option, shall constitute a default or breach of their Agreement.

Leasehold Mortgages

Tenants may not grant leasehold mortgages without prior written approval of the County, and approval may be granted, conditioned, delayed, or denied at the County's discretion. If the County consents, the leasehold mortgage may secure only the indebtedness which is invested in improvements to the leasehold, may not burden the real property, and shall recognize the reversionary provisions of the Lease Agreement.

Development, Improvements, Construction and Alterations

Tenant shall not make any Improvements (including any changes or modifications, additions, or deletions) to the Leased Premises without the prior express written consent of the County. Tenants will be required to comply with Development Guidelines, including guidelines regarding signage, and to obtain all required development and construction permits and approvals, including those of the County as described in the Agreement.

All Tenant-constructed alterations, improvements and/or deletions, including but not limited to, offices, hangars, access roads, access taxiways, vehicle parking areas and Aircraft parking areas, shall be in accordance with Development Guidelines established by the County and in accordance with applicable federal, state and local codes, ordinances, laws, rules and regulations. Tenant shall not be permitted to proceed with any construction or remodeling on the premises leased/assigned without first obtaining advance written approval of plans and specifications for such work from all applicable agencies, including the Airport's Manager.

1. Notice of Proposed Construction Alteration Form. Prior to making any Improvements, the Tenant shall submit to the County for its review and approval detailed plans, designs, and specifications, including cost estimates, a project schedule, and a list of the contractors selected by Tenant to make the approved Improvements. If applicable, the Tenant shall complete and include Federal Aviation Administration 7460-1 Notice of Proposed Construction Alterations form.
2. Regulatory Compliance. The approved Improvements shall comply with applicable Regulatory Measures including, but not limited to, CFR Title 14 Part 77 Safe, Efficient Use, and Preservation of the Navigable Airspace. The Tenant shall procure all building, fire, safety, and other permits necessary in connection with the approved Improvements from federal, state, and local agencies having jurisdiction.
3. Leasehold Development Requirements. Within 30 days after notification by the County of its approval, the Tenant shall commence work on the approved Improvements to the Leased Premises in accordance with the conditions of the County's approval. The Tenant shall be fully liable to the County for any damage resulting from the work on or associated with the approved Improvements. All deliveries of materials and supplies shall be made through the access points and via routes designated by the County. In the event the Tenant does not commence work on the Improvements within the allotted time or does not complete improvements within a six (6) month period, the County may elect to revoke approval and the Leasehold and associated improvements will revert to the County.

4. Liens for Improvement Cost and Expenses. All work completed shall be at the Tenant's sole cost and expense, free and clear of liens for labor and material, and the Tenant shall indemnify the County, as required by the General Aviation Minimum Standards.
5. Performance Bond. The Tenant shall furnish its Performance Bond in the form acceptable to the County in the amount of 100% of its total construction costs to guarantee completion of the Improvements.
6. Claims. The Tenant shall pay all claims lawfully made against it by its contractors, subcontractors, material men, and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with the performance of any work on or associated with the approved Improvements, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them. The Tenant shall also pay all liens held by subcontractors and provide Airport with proof of payment of excise tax.

No Unauthorized Use

All Commercial uses and certain Non-Commercial uses of Airport properties shall be permitted only pursuant to an Agreement in accordance with this Policy, consistent with applicable rents, charges, or revenue formulas established by the County. Tenants may not use their facilities for Commercial Activities unless pursuant to an Operator Permit with the County.

Prohibited Activities

Airport land or Improvements shall not be occupied or used for any activity that, in the sole discretion of the Airport Manager, is contrary to the safe and efficient operation of the Airport including any activity that jeopardizes the safety of the public, Aircraft, or property located at the Airport.

"Through-the-Fence" activities are prohibited.

VI. REQUIREMENTS FOR AIRPORT OWNED STRUCTURES

The following requirements are applicable to Airport owned structures that are leased.

New Agreements

Unless otherwise agreed, all new Agreements for hangars, buildings, or other facilities owned by the County shall require the County to be responsible for insurance, landscaping, lawn maintenance, parking lot upkeep, snow removal, and all other maintenance, and utility costs. Tenants shall be required to obtain liability and property insurance covering their operations and property.

Rental Rates

All rental rates established in Airport Agreements shall be as determined from time to time by County Council on recommendation of Airport staff or a professional appraisal, with the goal of achieving financial self-sustainability. All appropriate factors, including reasonable methodologies that may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value, comparable terms of other similar facilities on the Airport and/or other similar facilities at other comparable Airports in the region, shall be taken into account in establishing the rental rates and charges..

Rent Adjustments

Rent may be adjusted by the County periodically under consideration of current market rates, Consumer Price Index (CPI), and current Airport rates and charges.

Sublease and Assignments

Tenants may not sublease or assign an Agreement without written consent of the County.

Commercial Activities

Tenants may not use their facilities for Commercial Activities unless pursuant to an Operator Permit with the County.

EXHIBIT A TO AVIATION LEASING POLICY

Ridgeland Claude Dean Airport Reversion Policy

Background and Setting

The operation of a federally obligated airport involves a complex relationship between the airport sponsor and aeronautical tenants. Lease agreements provide the right for tenants to use the airfield and public airport facilities, exclusively occupy and use designated premises, and offer commercial goods and services. Airports must carefully craft lease agreements in a manner that is in compliance with federal grant assurances, as defined in the FAA Airport Compliance Manual Order 5190.6B, while managing for economic sustainability, future property development, and preserved rights and powers. The airport sponsor must ensure that lease agreements do not surrender the capability to control the airport. Best practices for leasing and developing airport property commonly contain requirements for reversion of tenant-owned improvements at lease termination. The reversion of improvement title to the property owner protects the airport sponsor from unexpected or unprepared obligations (Transportation Research Board, Guidebook for Developing and Leasing Airport Property, 2011).

Although the FAA has stated they do not track airports with reversion clauses, the FAA does recommend reversion clauses to clearly define what occurs at the end of a lease for both the tenant and airport sponsor. As stated in a letter from FAA to Senator Gordon Smith in response to a similar dispute at the Rogue Valley International-Medford Airport in 2002, it is common for permanent capital improvements made to or on land to become the property of the landowner at the termination of the lease. Problems and disputes occur because tenants often fail to consider what occurs at the end of the lease term.

The Airport Reversion Policy applies to ground leases on property owned and managed by Jasper County (County) where the tenant or lessee owns improvements and/or alterations (buildings and infrastructure).

Policy Considerations

A land lease policy adopted by the County must balance economic development goals with obligations for managing airport properties. The terms of underlying land leases materially affect development or marketability of improvements, liquidity, and financing considerations. To attract and keep viable business interests while maintaining necessary control of airport property,

successful economic development objectives should require that tenants have options in their lease terms. As stated above, compliance with FAA regulations and Grant Assurances must be achieved to continue necessary grant funding support. The following points should be and have been considered in shaping lease language.

1. The lease term must be of adequate length for the tenant to amortize investment in improvements, and to enjoy the benefits there-of, but not so long as to unnecessarily restrict future development options for the County.
2. Minimize future and unplanned financial burden to County that may be caused by purchase of improvements, remediation of environmental matters, or cost of maintenance.
3. Assign general maintenance and repair responsibility and expense along with grounds upkeep to the tenant when possible.
4. Provide a process whereby the owner can sell tenant improvements during the Term of the lease and for assumption/renegotiation of the land lease. The lease should include a specific description of the transfer process including, but not limited to the following:
 - a. Tenant will provide written notice to County of intent to sell.
 - b. County will have the first right to match any legitimate offer to purchase.
 - c. Tenant may provide an appraisal of market value to County at the tenant's expense in the event of disagreement with respect to value or utility.
 - d. If County elects not to purchase, a third-party purchaser must formally assume lease terms or negotiate a new lease w/ County, specifically acknowledging the reversion provisions.
5. Provisions should be allowed for the airport sponsor to develop property in the most advantageous manner. Consider lease term length and opportunities to vacate property if needed. (Early termination is allowed if it is in the best interest of County)

Policy Requirements

1. Title of improvements and alterations will revert to County at termination of the lease or any lease extension, provided there are no material environmental clean-up or mitigation, neglect or lack of maintenance expenditures.
2. Establish a fee and rental structure that will make the County as self-sustaining as possible.
3. Provide for exceptions to the policy by County Council on a case-by-case basis (e.g., Reversion Deferral)
4. Protect against abandonment, non-compliance with Minimum Standards, other prohibited activities and/or default of lease agreement.
5. Require personal liability recourse for the County in cases where leases are made to non-individuals (such as LLC's & Corporations).
6. Require the City be named as additional loss payee on liability and building replacement insurance policies.
7. Provide County with the right to inspect and / or obtain customary assurances of building upkeep & maintenance.
8. Ensure new land leases with reversionary terms & County right to match sales price during the Term of the Lease (in memorandum format) are visible in the public record.
9. Ensure the cost of originating leases are reasonably shared between Lessor & Lessee.
10. Require that land leases made contingent upon making improvements (to leased property) within a certain time have lease expiration provisions if improvements are not completed by the agreed upon date(s).

Reversion Policy

General

Provisions for reversions in existing leases are contained in the contemporaneously adopted Aviation Leasing Policy. Existing Leases are defined as those in effect at the date of adoption of the Aviation Leasing Policy. For new leases, the Standard Reversion Model shall remain in effect throughout the term of the lease.

Subletting of buildings does not affect the terms of these provisions.

If Lessee sells a building on contract, and/ or with deferred transfer of title, for the purposes of this policy it is considered a sale.

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Standard Reversion Model

The Standard Reversion Model for new leases has an initial term length of 20 years and up to two 5-year term extensions available for new construction. Existing Leases have reversion options as set forth in the Aviation Leasing Policy. In no event should the reversionary extended term (together with the original lease term for the improvements and any extensions) exceed the Maximum Lease Term of 45 years. For the life of the lease, Tenant pays prevailing ground lease rate with periodic market rate adjustments as defined in the lease. At the end of the lease term, plus any extensions, the following standard reversion applies:

- 1) At lease termination, ownership of all improvements reverts to County unless in the County's sole discretion, it declines due to neglect, lack of maintenance, or environmental matters which would require material expenditure of County Airport funds.
 - a. If County takes ownership of the improvements, then County is responsible for all repairs and maintenance from that time, unless otherwise negotiated.
- 2) County maintains the right to require the removal of improvements and alterations if the property has not been maintained and / or has no residual value, has been neglected by owner, has environmental issues or no longer conforms to requirements. In such cases, the Tenant shall be responsible for removal costs.

Option B, New Lease Agreement for Capital Improvements (Tenant Improvement Model)

The Tenant Improvement Model for new leases has an extended term that can be requested when either new capital improvements are proposed for properties under new leases, or the existing Tenant has made capital improvements under the new lease which have not had a sufficient time to fully achieve a reasonable amortization of the improvements by the end of the Term. The term of the new lease may be up to ten years, depending on the amount invested in accordance with the Table included in the Aviation Leasing Policy, as amended from time to time.

Option B (continued)

Existing Leases (as defined above) have an extended term available as set forth in the Aviation Leasing Policy with specific reversion provisions. Tenant negotiates the new Lease with the County. With the following Tenant Improvement Model standard reversion provisions will be incorporated:

- 1) At lease termination, ownership of all improvements reverts to the County, unless in the County's sole discretion, it declines due to neglect, lack of maintenance, or environmental matters which would require material expenditure of County Airport funds.
 - a. If County takes ownership of the improvements, then County is responsible for all repairs and maintenance from that time, unless otherwise negotiated.
- 2) County maintains the right to require the removal of improvements and alterations if the property has not been maintained and / or has no residual value, has been neglected by owner, has environmental issues, or no longer conforms to requirements. In such cases, the Tenant shall be responsible for removal costs.
- 3) Tenant is responsible for all repairs and maintenance during the term of the extension, unless otherwise negotiated.
4. Lease rental terms will be determined by the amount of investment and reasonable amortization as determined in the County's sole discretion, but except in exceptional circumstances would not be for more than ten years, and a goal of making the Airport as self-sufficient as possible.
- 5) There shall be a ten (10) year term limit on the new Lease Agreement and extensions, considering that in no event should the reversionary deferred extended term (together with the original lease term for the hanger and any extensions) exceed 45 years.

Option C, Reversionary Deferred Lease Agreement

The Reversionary Deferred Lease Agreement (RD Lease Agreement) is a possible option the County, in its sole discretion, may consider in individual circumstances. While Tenant

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would maintain ownership of the hangar during the lease term and be responsible for all taxes, maintenance and upkeep, rent for ground and building would be determined not by the at the adopted ground lease rate per square foot rate as adjusted for inflation/CPI rate in existence at the time of the execution of the RD Lease Agreement, but at a rate including the use/value of the hangar calculated to make the Airport as self-sufficient as possible in accordance with FAA Guidelines and Grant Assurances, as determined from time to time by County Council on recommendation of Airport staff or a professional appraisal, with the goal of achieving financial self-sustainability. All appropriate factors, including reasonable methodologies that may include, but are not limited to, historic cost valuation, direct negotiation with aeronautical users, or objective determinations of fair market value, comparable terms of other similar facilities on the Airport and/or other similar facilities at other comparable Airports in the region, shall be taken into account in establishing the rental rates and charges. The Term of the RD Lease is five (5) years, with a possible extension of up to five (5) additional years, in County's sole discretion, and subject to the overall limitation on the length of Leases contained in the Airport Leasing Policy. Unless otherwise agreed by the County, all Improvements would become the property of the County under the provisions set forth in Number 1 and 2, Standard Reversion Model, set forth above.

Existing Leases (as defined above) have an extended term available as set forth in the Aviation Leasing Policy with specific reversion provisions.

EXHIBIT B TO AVIATION LEASING POLICY

SCHEDULE OF FEES

June 9, 2023



FY 22-23

SCHEDULE OF FEES
Ridgeland – Claude Dean Airport

Fuel (Aviation Gasoline) – Full-Service	Commodity Pricing
Fuel (Jet -A) - Full-Service	Commodity Pricing
After Hours Fee (Prior Notice Requested)	\$ 150
Crew/Pax Transport Fee (Flat Rate)	\$ 80
Tie Down Fee Daily (Piston)	\$ 5
Tie Down Fee Monthly (Single-Engine Piston)	\$ 60
Tie Down Fee Monthly (Glider)	\$ 60
Tie Down Fee Monthly (Pole Barn, per stall)	\$ 70
Tie Down Fee Monthly (Light Piston Twin)	\$ 80
Tie Down Fee Monthly (Heavy Piston Twin)	\$ 200
Tie Down Fee Monthly (Turbine)	\$ 350
Ramp Fee (Piston) waived with 10-gallon fuel purchase	\$ 10
Ramp Fee (Piston, Multi-Engine), waived with 20 gallon fuel purchase	\$ 20
Ramp Fee (Turbine) waived with 50-gallon fuel purchase	\$ 60
Long-term Vehicle Parking Fee, Monthly	\$ 35
Hangar Ground Lease, per square foot	\$0.28

EXHIBIT C
ATTACHMENT TO ORDINANCE O-2023-02

TEMPLATE LEASE FORMS FOR RENEWAL/REPLACEMENT OF EXISTING HANGAR LEASES

June 9, 2023