

Attachment I

CITY OF NAPLES AIRPORT AUTHORITY Aircraft Storage Space and Storage Unit Leasing Guidelines

The City of Naples Airport Authority (NAA) is responsible for the property management of Naples Municipal Airport (MNA), to include leasing of Aircraft Storage Space, Storage Units and Long Term Tie-downs (Storage Space).

PURPOSE

This Aircraft Storage Space and Storage Unit Leasing Guideline (“Guideline”) will provide Tenants with guidelines for the leasing of Aircraft Storage Space, Storage Units and Long Term Tie-downs, in accordance with the standard Agreement and Leasing Manual, to include eligibility, waiting list administration, assignment of space, general lease terms, insurance, compliance and invoicing activities. The intent of these guidelines is to establish an equitable and consistent process to lease Aircraft Storage Space and Storage Units at NMA while maximizing the utilization of these facilities.

A. ELIGIBILITY

1. T-Hangars, T-Shelters, Executive Hangar Space, Storage Space and Tie-Downs are intended for use by individuals, partnerships or corporations that own, or have under exclusive lease, one (1) or more aircraft. Since the Federal Aviation Act of 1958, Section 501, requires that aircraft be registered in the name of it’s owner, the FAA Aircraft Registration Certificate is recognized as the single document giving the best indication of ownership and is required to establish eligibility before an aircraft storage space is occupied. A copy of an Aircraft Bill of Sale and an Application for Aircraft Registration, which have been submitted to the FAA, will satisfy this requirement for a period of up to ninety (90) days after purchase of the aircraft. If the aircraft is leased, a copy of the lease reflecting adequate possessory interest by the lessee shall be submitted for review to the Director of Operations or designee.
2. The Storage Space Agreement provides for the establishment of the “Designated Aircraft.” The Designated Aircraft will be identified as owned or leased (by exclusive written lease). NAA staff will verify the Designated Aircraft information through available means such as, FAA Aircraft Registration data and corporate filings with the state of Florida, or the Tenant may be asked to provide the NAA with documented ownership or exclusive lease information. The Storage Space Agreement will be executed with the verified aircraft owner or lessor, such as an individual, corporation, partnership, etc. If the NAA does not accept the ownership verification, the potential Tenant may, at the NAA’s discretion, re-submit the aircraft ownership verification according to the NAA’s stipulations in this regard. Should the NAA deny the aircraft ownership verification, potential Tenant shall forfeit his/her \$100 fee and be removed from

the hangar wait list. When warranted by extenuating circumstances, and upon written appeal to the Director of Operations or designee, additional time may, at the sole discretion of the Director of Operations, be given to complete the paperwork required.

3. The non-ownership of an aircraft does not preclude an individual from maintaining a position on the waiting list until an offer is made.
4. In the event an applicant is offered Storage Space and does not own an aircraft at that time, he/she may rent the Storage Space, but the Agreement will be terminated if the applicant has not acquired an aircraft within ninety (90) days after the effective date of the Storage Space Agreement. A non-commercial Tenant may accept the Storage Space and Sub-lease it during the ninety (90) day period. If the Tenant can prove aircraft ownership by the ninety-first day, but the aircraft is not at the Naples Municipal Airport at that time, the Tenant may, at the sole discretion of the Director of Operations, be granted an additional ninety (90) day period to Sub-lease the hangar.
5. Fixed base operators or business Tenants may acquire Aircraft Storage Space or Storage Units by placing their name on a waiting list, although no Sub-leasing will be permitted. The aircraft in the Storage Space must be registered to the Tenant. Those leasing space prior to the implementation date of this guideline are grandfathered until October 01, 2003, after which date compliance is required or the hangar shall be forfeited.
6. Setting up false relationships or lease agreements to obtain hangars or gate access cards will result in the default of the lease.
7. Hangar leases may not be assigned, transferred or Sub-leased (except as otherwise provided for herein) to other parties including those that purchase an aircraft already assigned to a hangar.

B. WAITING LIST ADMINISTRATION

1. Requests for placement on waiting lists for Aircraft Storage Space for all categories of space shall be done so in writing by completing a Hangar Wait List form and forwarding it to the Director of Operations or designee. The form will include the potential Tenant's name, address, phone number, aircraft type, aircraft registration number, and the date the request was made. The potential Tenants will be listed in the order that the application and proper payment was received.
2. Only one (1) hangar per reservation will be honored. An applicant or its affiliates may not appear on any particular list more than two (2) times without the written approval of the Director of Operations or designee. Duplicate appearances on any particular waiting list must be at least twelve (12) months apart.

3. An applicant will be required to deposit a \$100 (non-refundable) fee, for each type of Storage Space sought and for each time his/her name appears on a particular list. Applicants will be placed on a waiting list only when the required fee is paid. Interest will not be paid by the NAA on these fees.
4. When Storage Space is made available to an applicant, the \$100 fee will be applied toward the required first month's rent upon execution of the Agreement. A refund of the fee will be made only when an applicant forwards a written request asking to be removed from the waiting list(s) prior to being offered Storage Space. If an applicant, (1) rejects an offer of Storage Space, (2) cannot be located by certified mail or telephone within fifteen (15) days; or cannot qualify for the Storage Space his/her name will be removed from the waiting list and the \$100 fee for that position will be forfeited. It shall be the responsibility of each applicant to advise the Director of Operations or designee to change his/her mailing address and telephone number.
5. Current Storage Space Tenants wishing to relocate to another on-site Storage Space to better accommodate their aircraft for reasons of 'sizing up' or 'sizing down', etc., may be given preference over non-hangar Tenants, provided that the original hangar is returned to the Airport Authority. All requests should be forwarded to the Director of Operations in writing.

C. ASSIGNMENT OF LEASE SPACE

1. Locks are the property of NAA. Due to the necessity of periodic inspections and in the event of an emergency, the NAA maintains the right to access all leased Storage Spaces without notice. Locks and/or padlocks that have been changed and/or replaced by the Tenant will be removed and replaced by NAA at the Tenant's expense.
2. Upon execution of a Storage Space Agreement, the Tenant will be provided with two (2) keys. Should either of these keys be lost or stolen, the Tenant will notify NAA and a new lock and replacement keys will be provided to the Tenant, at cost. Should a new or existing Tenant request the re-keying of an existing lock, the Tenant will notify NAA of this request. The Tenant will be billed for any re-keying charge. All Tenants who sublet their hangars must transfer their key(s) to the Sub-Tenant. The NAA will not issue keys to the Sub-Tenant without the primary Tenant's signature on the key issuance form.
3. It is the Tenant's responsibility to return all Storage Space keys, including those issued to Sub-Tenants, to NAA upon the cancellation of the Storage Space Agreement. The Tenant will also ensure that the Storage Space is clean and clear of debris upon the date of termination. The vacating Tenant will be charged for a lock change if all keys are not returned to NAA, and the cost of cleaning or clearing debris (including oil cleanup) from the vacated Storage Space.

4. The Storage Space Agreement also provides for the reallocation of assigned space to allow for maximum utilization of existing facilities, possibly giving priority to larger aircraft over smaller aircraft for available Storage Space. The NAA may, as it deems appropriate, reallocate the assigned Storage Space of an existing Tenant to a smaller available Storage Space, if the existing Tenant's designated aircraft would fit into the smaller unit while the potential Tenant's aircraft would not fit into the smaller space.
5. If more than one aircraft will fit in a Storage Space, at the discretion of the primary Tenant, a Co-Tenant application may be made and if approved by NAA, a Co-Tenant Agreement may be completed. A Co-Tenant Agreement allows for two (2) aircraft to share a Storage Space, without a time limit. The Co-Tenant must vacate the Storage Space should the primary Tenant terminate the Agreement. There must be two (2) aircraft housed together in the Storage Space or the Co-Tenant Agreement will be terminated. Both the primary Tenant and the Co-Tenant must provide a Certificate of Insurance to NAA for each aircraft.
6. The leased Storage Space shall be only for the storage of the designated aircraft and equipment needed for moving the designated aircraft. The storage of the aircraft owner's automobile in the assigned Storage Space is allowed while on a flight. Storage of anything other than aircraft or equipment appurtenant to the aircraft is prohibited and will be reason for lease cancellation.
7. The NAA will allow, for a limited time, the temporary substitution of the designated aircraft for Tenants wishing to request such an arrangement. The Sub-Lease is intended to allow for part-time occupancy of the hangar for Tenants who temporarily relocate for part of the year. The T-Hangar/T-Shelter Sublet Agreement forms, available from the NAA Operations Administration Department, will be approved if the Tenant plans to remove his/her aircraft from the airport for a period of time for any reason. The Sub-Lease Agreement may be approved for a maximum of six (6) months per 12-month period, after which the primary Tenant will need to resume occupancy of the hangar or terminate the Storage Space Agreement with the NAA. If an aircraft is found in a Storage Space after the termination date of the Sub-Lease Agreement, or without an approved Sub-Lease Agreement, the aircraft owner will be asked to vacate the Storage Space, and the Tenant Storage Agreement lease may be terminated.
8. Should Tenant sell their aircraft, the Tenant will be allowed ninety (90) days to acquire another aircraft, and will be allowed to Sub-lease during that ninety (90) day period. After ninety (90) days, if a replacement aircraft is not purchased, the Storage Agreement will be terminated.
9. A Certificate of Insurance (see INSURANCE requirements listed below) must be provided no later than two (2) weeks after the execution of the Agreement. The Agreement will be terminated and the hangar offered to the next potential Tenant on the hangar waiting list, should the Certificate of Insurance not be received

within two weeks. The Tenant is responsible for ensuring the NAA receives a current Certificate of Insurance.

D. GENERAL LEASE TERMS

1. General

- a. In order to minimize the administrative workload in preparing and terminating leases, and to discourage the use of subterfuge to avoid transient fees, minimum procedures have been established when issuing leases.
- b. Thirty (30) days' written notice of termination is required by the Tenant. Refunds will not be made to Tenants occupying tie-downs for less than the four (4) month minimum.
- c. The aircraft and Storage Space occupied must be compatible in size. At least 18 to 24 inches of clearance is required on all sides of the aircraft stored in NAA T-Hangars and T-Shelters. Wing span minimums have been established due to the low number of large hangars available. All NAA Storage Spaces are leased "AS IS."

2. Executive Hangar and Storage Units

- a. The Executive Hangar and Storage Units may not be sublet, assigned or otherwise transferred and only the Tenant's aircraft as described in the copy of the FAA Aircraft Registration Certificate attached to the Agreement may be stored in the Storage Space.

3. Tie-Downs

- a. Tie-down spaces may not be sublet, assigned or otherwise transferred and only the Tenant's aircraft as described in the copy of the FAA Aircraft Registration Certificate attached to the lease may be stored in the Storage Space.
- b. Tie-down spaces are provided on a month-to-month basis, provided an Agreement is executed for a minimum of four (4) months, at monthly rates lower than the monthly rates offered transients, as established in the Airport Rates and Charges.

4. Changes in the Aircraft Storage Space Lease

- a. Any changes in information on the Storage Space Agreement, such as a new address, telephone number, aircraft make/model and "N" number, change of ownership, etc., must be reported, in writing, to the Director of Operations or designee within ten (10) days of the change.

- b. From time to time, a T-Hangar or T-Shelter lessee has requested permission to trade with another lessee. The trade must be for like Storage Spaces ('B' Hangar for a 'B' Hangar, T-Shelter for a T-Shelter). All trades must be approved in advance and in writing by the Director of Operations or designee. Such approval shall be at the sole discretion of the Director of Operations or his/her designee.

5. Owner Maintenance

- a. Self-maintenance activities shall be limited to those items listed in the Code of Federal Regulations, Part 43, Appendix A, Sub-Part C. Self maintenance performed by the aircraft owner within the individuals leasehold does not need to meet the airport's Minimum Standard requirements provided that:
 - Said work shall be performed only by the named owner of the aircraft or owner's employees, in accordance with regulations promulgated by the FAA, and only when the employees of the aircraft owner are bonafide employees maintained on the records and books of the aircraft owner as employees, and subject to detailed payroll records.
 - Any person performing work claiming to be an employee of an aircraft owner exempt from the minimum standards set forth herein, must be able to demonstrate that such detail payroll records exist and applicable taxes have been withheld from salary payments in accordance with the requirements of the IRS.
 - The Authority will verify such payroll records with the IRS.

E. INSURANCE

1. Tenant shall maintain liability insurance coverage for its activities in accordance with the leasing manual. Coverage details are as follows:
 - a. No less than \$100,000.00 per person and \$300,000.00 per incident
 - b. Thirty (30) days' prior written notice of cancellation
 - c. The insurance policies shall contain a clause or endorsement by which the insurance carrier(s) waives all rights of subrogation against Authority, except where the Authority or its Agents are guilty of a specific act of negligence
2. BUILDERS INSURANCE will be required on all aircraft being built in the Aircraft Storage Spaces, with the same coverage limitations as listed above.
3. STORAGE UNITS Tenants may sign and have notarized a "self-insurance waiver," noting that they will be responsible for self-insurance coverage on the property in their storage units as well as the property of others.

F. COMPLIANCE AND SAFETY

1. Tenant shall abide by the Airport Rules & Regulations, as may be amended from time to time, Federal and State Statutes, and Regulations of the Federal Aviation Administration, including environmental laws regarding handling, discharge, release and dumping of hazardous substances. Any violation of these rules or regulations may be cause for lease termination.
2. No commercial or revenue-producing activities shall be conducted or permitted from any Storage Space.
3. The NAA shall have a possessory lien, from the date monthly charges are unpaid and due, in all personal property stored within the Storage Space. Property stored in the Storage Space may be sold to satisfy the lien if Tenant is in default. In order to provide notice of sale to enforce the NAA's possessory lien, Lessee shall disclose any lienholder or secured parties who have an interest in property that is or will be stored in the Storage Space.
4. Hazardous activities such as, but not limited to, welding, painting, doping, open fuel lines, or the application of hazardous substances are expressly **prohibited**.
5. The premises covered by the lease shall not be used for the storage of flammable or explosive substances or items except for those substances or items as allowed by the City of Naples Fire code.
6. Aircraft shall be removed from a T-Hangar, T-Shelter or Executive Hangar for fueling.
7. Lessee shall keep the Storage Space clean and free of grease, oil, rags, paper and other debris. Oily rags shall be kept in metal containers with a tight fitting lid.
8. Storage of items not related to aviation is prohibited, except as noted in paragraph G, Electrical Appliances.
9. If Lessee fails to maintain the Storage Space as required herein, the NAA may take corrective action at the expense of the Tenant upon ten (10) days' notification.
10. Tenant understands that the NAA has implemented a Vehicle "Ramp Access" Program, with which Lessee agrees to comply.
11. No structural or electrical modifications, painting or other alterations may be made to the Storage Space without the prior written approval of the Director of Operations or Executive Director.

12. Lessee shall not attach any hoisting, winching or holding mechanism to any part of the Storage Space, or pass any such mechanism over the beams or braces thereof.

G. MAINTENANCE - ELECTRICAL APPLIANCES

1. Limited electrical appliances are allowed in a Storage Space including portable fans, evaporative coolers, televisions, refrigerators, coffee makers, radios, powered tow bars, battery trickle chargers, vacuum cleaners, and small air compressors. Any appliance not having an explosion-proof motor must be elevated at least eighteen (18) inches above the floor.
2. Prohibited appliances include, but are not limited to, air conditioners, electric heaters, hot plates, heat lamps, and stoves.
3. No extension cords or appliances, except refrigerators, shall remain connected to any electrical receptacle when the Storage Space is not occupied.

H. TERM AND INVOICING INFORMATION

1. Storage Space Tenants will be invoiced on a monthly basis for the established rental amount, plus applicable sales tax. As per the terms of the Storage Space Agreement, payment for such Space is due in advance without notice on the first day of each calendar month. Payment shall be deemed delinquent if not paid by the last day of each calendar month and shall be charged a service charge of 18% annually (1.5% per month). The non-payment of monthly charges may be grounds for termination of the Agreement, as well as termination of extension of credit. Payment should be made to Naples Airport Authority, 160 Aviation Drive North, Naples, FL 34104. Tenants are reminded to write their account number on the check for easier processing. Sub-Tenants should forward their payment directly to the Leaseholder.
2. The rental amount is subject to periodic adjustment by the NAA, typically at the beginning of the Fiscal Year, and with thirty (30) days' advance notice.
3. The term for the Storage Space Agreement is established twelve (12) months from the commencement date, continuing month to month, thereafter. Either party can terminate this agreement by giving at least thirty (30) days' prior written notice. Rent will not be prorated.