



CALL TO ORDER



PLEDGE OF ALLEGIANCE



ROLL CALL



APPROVAL OF AGENDA

AGENDA

- A. Call to Order
- B. Pledge of Allegiance
- C. Roll Call
- D. Approval of Agenda
- E. Approval of Minutes
 - a. December 5, 2024, Regular Meeting Minutes
- F. Action Items

Acquisition

- a. Approval: Lease Termination and Property Transfer Agreement between Sheltair Dunn, LLC and Sheltair Space Coast LLC for the improvements located at Arthur Dunn Airpark and Space Coast Regional Airport.

Grants

- a. Approval: FDOT Public Transportation Grant Agreement (FPN 456310-1) and Associated Resolution in the amount of \$640,000 for the Acquisition of the Sheltair Aviation Improvements located at Arthur Dunn Airpark.

Truist Line of Credit

- a. Approval: Authorizing the acceptance of the proposal from Truist Bank to increase the Authority's Taxable Revolving Line of Credit up to \$4,000,000 for working capital and short-term financing in support of ongoing capital projects.

Lease and License Agreements

- a. Approval: Lease Agreement with High Wing Flying Training, Incorporated for the improvements located at 355 Golden Knights Blvd facility (Suite 4 and Apron).
- b. Approval: License Agreement with Indian River Honey Company, LLC for temporary use of non-aeronautical property located at the Space Coast Regional Airport.

2025 Election of Officers

- a. Airport Authority Board of Directors Officers Positions

- G. Staff Reports
 - a. Director of Airports Update
 - b. Deputy Director of Operations and Maintenance
 - i. Capital Improvement Projects Update
 - ii. Operations Report

- c. Report: Deputy Director of Finance & Administration
 - i. November & December 2024 Check Register
 - ii. November 2024 Preliminary Financial Statements
 - iii. December 2024 Preliminary Financial Statements
- d. Report: Authority Attorney
- e. Reports: Authority Members
- f. Public Comments
- g. Adjourn



APPROVAL OF MINUTES

TITUSVILLE – COCOA AIRPORT AUTHORITY

The Regular Meeting of the Titusville - Cocoa Airport Authority was held on December 05, 2024, 5 p.m., at the Titusville - Cocoa Airport Authority Office, 355 Golden Knights Boulevard, Titusville, Florida, and via video conference. The following members were present: Mr. John Craig, Chairman; Mr. Donn Mount, Vice Chairman; Mr. Al Voss, Treasurer; Mr. Roger Molitor; Mr. Brad Whitmore; Mr. Mark Grainger; Mr. Kevin Daugherty, AAE, Director of Airports; and Mr. Cliff Repperger, Attorney.

Call to Order

Mr. Craig called the meeting to order and determined a quorum was present.

Pledge of Allegiance

Members and attendees recited the Pledge of Allegiance.

Approval of the Agenda

Mr. Craig called for any changes or additions to the agenda. Mr. Daugherty stated there were none.

Mr. Craig called for a motion to approve the agenda as presented. Mr. Voss made a motion to approve. Mr. Whitmore seconded the motion. Motion passed.

Approval of Meeting Minutes:**1. October 17, 2024 – Regular Meeting**

Mr. Craig called for a motion to approve the October 17, 2024; meeting minutes as presented. Mr. Whitmore made a motion to approve. Mr. Grainger seconded the motion. Motion passed.

Action Items**1. Grants**

- a. **Approval of Florida Job Growth Infrastructure Grant Agreement and Associated Resolution in the amount of \$5,834,944 for design and construction of the Challenger Avenue Extension Phase 1 project at Space Coast Regional Airport.**

Mr. Daugherty gave an overview of the Florida Job Growth Infrastructure Grant Agreement and Associated Resolution for the Challenger Avenue Extension Phase 1 project at Space Coast Regional Airport and recommended approval from the Board.

Mr. Craig called for a motion to approve the grant agreement and associated resolution as presented by Mr. Daugherty.

Mr. Voss made a motion to approve the grant agreement and associated resolution as presented. Mr. Grainger seconded the motion. Motion passed.

b. Approval of FDOT Public Transportation Grant Agreement and Associated Resolution in the amount of \$10,594 for the Airfield Marking project at Space Coast Regional Airport.

Mr. Daugherty gave details of the FDOT Public Transportation Grant Agreement and Associated Resolution for the Airfield Marking project at Space Coast Regional Airport and requested approval from the Board.

Mr. Craig called for a motion to approve the grant agreement and associated resolution as presented by Mr. Daugherty.

Mr. Molitor made a motion to approve the grant agreement and associated resolution as presented. Mr. Grainger seconded the motion. Motion passed.

2. Letter of Intent

a. Approval of Letter of Intent for the purchase of Sheltair leasehold improvements at Space Coast Regional Airport and Arthur Dunn Airpark.

Mr. Daugherty gave an overview describing the Letter of Intent for the purchase of Sheltair leasehold improvements at Space Coast Regional Airport and Arthur Dunn Airpark and recommended approval.

Dr. Dave Byers (Quadrex Aviation) presented an analysis of anticipated revenues and expenditures for the facility acquisition and answered Board questions.

Mr. Mount called for approval of the Letter of Intent for 'initial discussion'.

Mr. Molitor made a motion to approve as presented.
Mr. Voss seconded the motion. Motion passed.

3. Airport Authority 2025 Public Meeting Schedule

a. Approval of Proposed Airport Authority 2025 Public Meeting Schedule.

Mr. Daugherty gave details regarding the proposed Airport Authority 2025 Public Meeting Schedule and recommended approval.

Mr. Molitor made a motion to approve the proposed 2025 Public Meeting Schedule as presented.

Mr. Whitmore seconded the motion. Motion passed.

Deputy Director of Operations and Maintenance Report

1. Capital Improvement Projects Update

Mr. Hopman discussed details regarding the Challenger Avenue Extension (Phase 1) project in which the grant has been approved and should commence by January or February 2025.

Mr. Hopman stated the Runway 18/36 Rehabilitation Design and Construction Project at the Space Coast Regional Airport should begin early 2025 with an estimated completion time of 5 months.

Mr. Hopman gave details regarding the Air Traffic Control Tower at Space Coast Regional Airport in which a preliminary construction meeting took place and construction is expected to commence early in 2025.

Mr. Hopman stated the Space Coast Regional Airfield Marking Project is scheduled to commence early 2025 with expected taxiway closures.

Mr. Hopman stated the Northeast Corporate Hangar Project (Design and Permitting) at Space Coast Regional Airport is underway with the proposal of alternative layouts.

Mr. Hopman stated the Runway 11/29 Rehabilitation Design project at Merritt Island Airport has will be completed and out to bid by spring next year.

Mr. Hopman also presented an overview of the operations at all three facilities along with the noise complaints for each airport.

Deputy Director of Finance and Administration Report

1. Check Register

a. October 2024

Ms. Kinard presented the check register for October 2024 and called for any questions. There were none.

2. October 2024 (Preliminary) Financial Statements

Ms. Kinard provided an overview of the preliminary financial statements and balance sheet for the month of October 2024. Ms. Kinard stated the unresolved correction to the lease valuations and documentation are still outstanding as Noted in the FY 2022-2023 audit and corrective action plan. Detail was provided on the outstanding receivables and documentation required for proper classification of the receivables and bad debt. Questions were called and there were none.

Authority Attorney Report

Mr. Repperger stated he had no new updates.

Authority Member's Report

Mr. Mount called for any comments or questions from the Board.

Mr. Molitor commented on a job well done with the repair of his T-Hangar door.

Mr. Voss gave thanks to Mr. Hopman for his assistance at Arthur Dunn Airpark regarding Paraglider parking issues.

Public Comments

Mr. Mount called for public comments.

Mr. Victor Watson, representing Islands International Group, addressed the Board regarding their current eviction status.

Adjournment

Mr. Mount adjourned the meeting at 6:03 p.m.

JOHN CRAIG, CHAIRMAN

DONN MOUNT, VICE CHAIRMAN



ACTION ITEMS

**APPROVAL: LEASE TERMINATION AND
PROPERTY TRANSFER AGREEMENT BETWEEN
SHELTAIR DUNN LLC AND SHELTAIR SPACE
COAST LLC FOR THE IMPROVEMENTS
LOCATED AT ARTHUR DUNN AIRPARK AND
SPACE COAST REGIONAL AIRPORT.**

LEASE TERMINATION AND PROPERTY TRANSFER AGREEMENT

This **LEASE TERMINATION AND PROPERTY TRANSFER AGREEMENT** (this “Agreement”) is made as of the ____ day of December 2024, (the “Effective Date”) between **TITUSVILLE-COCOA AIRPORT AUTHORITY**, A SPECIAL TAXING DISTRICT EXISTING UNDER THE LAWS OF THE STATE OF FLORIDA (“Landlord”) and **SHELTAIR SPACE COAST, LLC and SHELTAIR DUNN, LLC**, each a Florida limited liability company whose address is 5302 NW 21st Terrace, Fort Lauderdale, Florida 33309 (jointly “Tenant”).

R E C I T A L S:

WHEREAS, Landlord and Tenant are parties to the following three lease agreements:

Lease – Arthur Dunn shall mean that certain Lease Agreement for Construction of T-Hangars at Arthur Dunn Airpark dated November 21, 2001 between Sheltair Dunn LLC and the Titusville-Cocoa Airport Authority, as amended.

Lease - Space Coast Buildings 40 and 41 shall mean that certain Lease Agreement for Buildings 40 and 41 at Space coast Regional Airport dated November 1, 2002 between Sheltair Space Coast, LLC and the Titusville-Cocoa Airport Authority, as amended.

Lease – Space Coast T-Hangars shall mean that certain Lease Agreement for Construction of T-Hangars dated November 21, 2001 between Sheltair Space Coast, LLC and the Titusville-Cocoa Airport Authority, as amended.

(jointly the “**Leases**”);

WHEREAS, pursuant to the Leases and applicable law, while Tenant is the current owner and titleholder of the improvements (the “Improvements”) constructed upon the demised properties subject to the Leases (the “Properties”), upon termination of the Leases, title to the Improvements automatically passes from Tenant and transfers to Landlord as a result of Landlord’s legal reversionary interest in said Improvements;

WHEREAS, Landlord and Tenant desire to: (a) terminate the Leases early pursuant to the terms and conditions contained herein, (b) effectuate the transfer of title to and ownership in the Improvements from Tenant to Authority, and (c) release one another from their respective obligations under the Leases.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Recitals; Defined Terms. The above-stated recitals are hereby incorporated into this Agreement as if fully set forth herein. Unless otherwise specifically set forth in this Agreement, all capitalized terms herein shall have the same meanings as set forth in the Leases.

2. Termination Price. Landlord agrees to pay to Tenant for Tenant’s agreement to terminate the Leases the total sum of TWO MILLION AND NO /100 DOLLARS (\$2,000,000.00), which is expressly intended to compensate Tenant for the value of its remaining interest in the Improvements over the remaining term of the Leases being terminated hereby.

3. Method of Payment. The Termination Price shall be paid by Landlord to Tenant as follows:

- a. Initial Payment. Upon execution of this Lease Termination Agreement by both parties, Landlord shall pay to Tenant by wire transfer to an account designated by Tenant in immediately available funds in U. S. dollars, the sum of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) (the "Initial Payment").
- b. Payment of Balance. Simultaneous with the execution by Landlord of this Lease Termination Agreement and payment of the Initial Payment, Landlord shall execute a promissory note in favor of Landlord in the form attached hereto as Exhibit "A" for the remaining balance of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00).

4. Termination. The Leases shall terminate and Tenant shall surrender the premises under the Leases on the last day of the month in which the Lease Termination Agreement is signed and Landlord has paid Tenant the Initial Payment ("Early Termination Date"). Immediately following execution of the Lease Termination Agreement and payment of the Initial Payment by Landlord to Tenant, Landlord shall notify all subtenants that Landlord shall become the subtenant's landlord as of the Early Termination Date and that all payments and other obligations of subtenants under the subleases shall be made and satisfied to Landlord, which Tenant shall effectuate should it receive any payments from any sub-tenants actually due to Landlord. Tenant agrees that upon request by Landlord, Tenant shall execute any written assignments requested by Landlord to reflect the assignment of Tenant's interest as sub-landlord to Landlord. Effective as of the Early Termination Date, Landlord shall become responsible for all costs and expenses of operating the premises under the Leases, including but not limited to utilities and maintenance. In addition, upon Landlord's payment of the Initial Payment, Tenant's interest in the Improvements and/or any other improvements on and to the Properties shall be automatically and permanently extinguished, and Landlord shall become the sole owner and titleholder thereof and therein.

5. Representations by Tenant. Tenant represents to Landlord as follows:

- a. Tenant has the authority to enter into this Lease Termination Agreement and the person signing on behalf of Tenant has been duly authorized.
- b. There are no claims, or actions pending or threatened that would impact the Leases or the premises under the Leases.
- c. Tenant has not collected lease payments from any subtenant more than 30 days in advance.
- d. Tenant shall transfer all subtenant deposits to Landlord prior to the Early Termination Date.
- e. There are no liens, except the mortgage lien consented to by Landlord in favor of Truist Bank as administrative agent, against the Leases. Shortly after the Early Termination Date Tenant shall cause the mortgage lien in favor of Truist Bank to be satisfied on the public records and shall indemnify and hold Landlord harmless from any and all claims, expenses, charges and/or other liabilities of any kind related to said Truist Bank mortgage lien.

6. Representations by Landlord. Landlord represents to the Tenant as follows:

- a. Landlord has the authority to enter into the Lease Termination Agreement and the person or persons signing on behalf of Landlord has/have been duly authorized.

- b. On the Early Termination Date Landlord shall assume all responsibilities of Tenant under the subleases.

7. Mutual Release. Except as otherwise set forth in this Agreement, Landlord hereby agrees that Tenant shall be and is hereby released from all obligations, duties and liabilities of Tenant under the Leases to be performed from and after the Early Termination Date, and Tenant hereby agrees that Landlord shall be and is hereby released from all obligations, duties and liabilities of Landlord under the Leases to be performed from and after the Early Termination Date in favor of Tenant. Except as otherwise set forth in this Agreement, as of the Early Termination Date, Landlord releases, discharges and waives any claims known or unknown, against Tenant, its successor, assigns, members, officers, or directors, arising out of or in any way connected with the Leases, and Tenant releases, discharges and waives any claims, known or unknown, against Landlord, its successors, assigns, members, officers, or directors, arising out of or in any way connected with the Leases.

8. Termination Memorandum of Lease. Concurrently with the execution of this Lease Termination Agreement, the parties shall execute a Termination of Memorandum of Lease which shall be recorded in the public records of Brevard County, Florida on the Early Termination Date.

9. Successors and Assigns. This Agreement shall be for the benefit of and be binding upon, the parties hereto and their respective successors and assigns.

10. Final Agreement. This Agreement shall constitute the final agreement and understanding of the parties on the subject matter hereof. This Agreement may be modified only in writing and signed by Landlord and Tenant.

11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Florida without reference to choice of laws principles.

12. Counterparts. This Agreement may be executed in one or more counterparts, electronically or otherwise, each of which so executed and delivered shall be deemed an original, and all of which taken together shall constitute but one and the same instrument.

13. Execution of Documents. Upon reasonable request by the other party, either Landlord or Tenant will execute any document(s) requested by the other party to effectuate any transfer of interest or other right/obligation set forth in this Agreement, including without limitation to document Tenant's transfer of interest in the Improvements to Landlord.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Agreement as of the respective dates set forth below.

LANDLORD:

**TITUSVILLE-COCOA AIRPORT
AUTHORITY**

By: _____

Name: _____

Its: _____

Executed: _____, 2024

TENANT:

SHELTAIR DUNN, LLC

By: _____

Name: _____

Its: _____

Executed: _____, 2024

TENANT:

SHELTAIR SPACE COAST, LLC

By: _____

Name: _____

Its: _____

Executed: _____, 2024

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

**7245 SW 87 AVENUE, SUITE 300
MIAMI, FLORIDA 33173**

APPRAISAL OF REAL PROPERTY

**HANGAR BUILDINGS 40 AND 41,
SPACE COAST REGIONAL AIRPORT,
TITUSVILLE, BREVARD COUNTY, FLORIDA**

**APPRAISAL REPORT
SJM FILE: 24333.40.41**

PREPARED FOR

**MR. KEVIN DAUGHERTY
EXECUTIVE DIRECTOR
TITUSVILLE-COCOA AIRPORT AUTHORITY
51 BRISTOW WAY
TITUSVILLE, FLORIDA 32780**



ANDREW H. MAGENHEIMER, MAI
CERT. GEN. RZ1073

THEODORE W. SLACK, MAI
(1902-1992)
THEODORE C. SLACK, MAI
(1931-2015)
SUE BARRETT SLACK, MAI
(RETIRED)

December 24, 2024

Mr. Kevin Daugherty
Executive Director
Titusville-Cocoa Airport Authority
51 Bristow Way
Titusville, Florida 32780

RE: Appraisal Report – Leasehold Interest in Hangar Buildings 40 and 41, Space Coast
Regional Airport (TIX), Titusville, Brevard County, Florida
SJM File: 24333.40.41

Dear Mr. Daugherty:

At your request, we have prepared an appraisal of the above referenced property as of December 1, 2024, the date of valuation. The subject property represents two hangar buildings at the Space Coast Regional Airport (TIX). TIX is a general aviation airport owned and operated by the Titusville-Cocoa Airport Authority (TCAA). The subject property is considered by TCAA to be aeronautical property due to its land use designation, and its location adjacent to the Airport Operating Area (AOA) of TIX.

Hangar Buildings 40 and 41 are pre-engineered metal hangar buildings that contain a total of 12,950 square feet including hangar and support areas. The site for subject property contains 2.06 acres. The hangars were constructed by the airport in 1990 and 1991 and appear to be in good condition based on their age and level of maintenance provided. As of the date of valuation, both buildings were reportedly subleased to a single user. Site improvements include paved areas in front to each hangar for vehicular parking and staging aircraft, as well as nominal landscaping

Hangar Buildings 40 and 41 were leased by the TCAA to Sheltair Space Coast, LLC in January 2002 for an initial term of 20 years that commenced April 1, 2002. The lease includes four, 5-year renewal options (40-year total term) and provides for the tenant to pay land and building rent for the duration of the lease. As of the date of valuation the leasehold interest in Hangar Buildings 40 and 41 had 17.33 years remaining, including the renewal options. The purpose of this appraisal is to estimate the present value of the remaining leasehold interest (17.33 years) in the subject property through the end of the existing lease term (March 31, 2042), including the renewal options.

Mr. Kevin Daugherty
December 24, 2024

The scope of this analysis is limited to the valuation of the remaining leasehold interest in the subject building improvements (Hangar 40 and 41) as of a current date of valuation. It is our understanding that the intended use of the appraisal is to assist the TCAA in negotiating the potential purchase of the remaining leasehold interest in the subject property from a willing seller and the intended user of this report is the TCAA.

The appraisal report states our opinion of market value, subject to various assumptions and limiting conditions contained in this appraisal report. The site visit and analyses that form the basis of our valuation have been performed by the undersigned. The appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Supporting documentation concerning the data, reasoning and analysis are retained in the appraiser's file.

Respectfully submitted,

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

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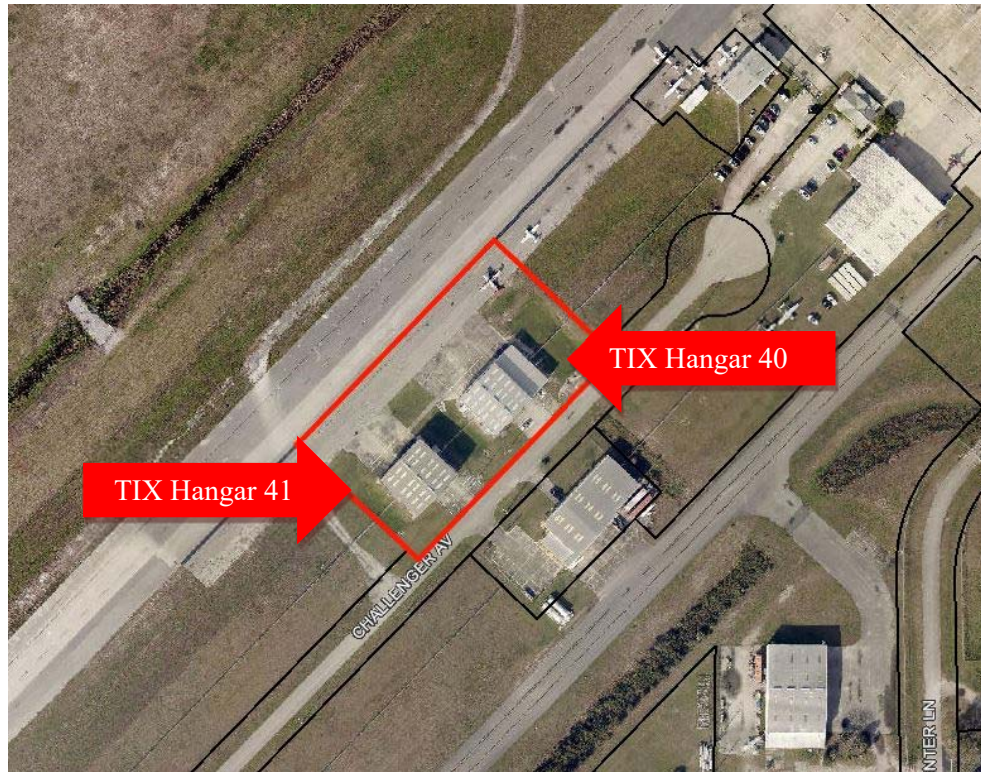
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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Appraised:	Hangar Buildings 40 and 41, Space Coast Regional Airport (TIX), Titusville, Brevard County, Florida
Brevard County Parcel:	23-35-02-00-505
Market Value Assessment	\$652,360 (2024)
Real Estate Taxes:	Exempt
Fee Simple Ownership:	Titusville-Cocoa Airport Authority (TCAA) 51 Bristow Way, Titusville, Florida
Leasehold Ownership:	Sheltair Space Coast, LLC 319 N. Cypress Lake Drive, Orlando, Florida, 32803
Interest Appraised:	Market value of the remaining leasehold interest (17.33 years) in the facility (through March 31, 2042), including renewal options
Land Use:	Public/Semi-Public; Titusville
Zoning:	Public Use; Titusville
Property Description:	Hangar Buildings 40 (7,350 SF) and Hangar 41 (5,600 SF) in good condition on a 2.06-acre leased parcel of aeronautical land adjacent to the TIX AOA.
Current Use:	General Aviation Hangar Buildings
Highest and Best Use:	Continued Use
Date of Valuation:	December 1, 2024
Date of Site Visit:	November 25, 2024
Date of Report:	December 24, 2024
Value Conclusion - Leasehold Interest Value	\$370,000 (1)

Note 1: Market value of the remaining leasehold interest (17.33 years) in Hangar Buildings 40 & 41

AERIAL PHOTOGRAPH OF THE SUBJECT LEASEHOLD



Approximate boundaries, not to scale, for illustrative purposes only.

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.
- we have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
- The undersigned have made a visit to the property that is the subject of this report.
- no one provided real property appraisal assistance to the persons signing this certification.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- we have performed services regarding the subject property within the prior three years.
- as of the date of this report, Andrew H. Magenheimer has completed the continuing education program for Designated Members of the Appraisal Institute.

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No legal opinion related to a title search was provided and all existing liens and encumbrances, including deed restrictions and developer agreements, have not been investigated unless otherwise stated. The property is appraised as though free and clear.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others has been gathered from sources deemed to be reliable, however, no warranty is given for its accuracy.
5. All engineering and surveying is assumed to be correct. Any sketches, plats, or drawings included in this report are included to assist the reader in visualizing the property. We have made no survey of the property, and assume no responsibility in connection with such matters.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for unusual soil conditions and no opinion as to these matters is to be inferred or construed from the attached report other than those specifically stated in the report. Unless stated otherwise, the soil conditions of the subject property are assumed to be adequate to support development utilizing conventional construction techniques. We recommend the client obtain an opinion from a competent engineering firm.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

11. Any proposed or partially completed improvements included in this report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.
 12. Our estimates of future values were formulated based upon market conditions as of the date of appraisal, considerate of future projections concerning supply and demand. The appraiser has no responsibility for significant events that alter market conditions subsequent to the effective date or dates of appraisal.
 13. This study is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal. Publication of this report or any portion thereof without the written consent of the appraiser is not permitted.
 14. The appraiser, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
 15. Neither all, nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. The use of this report in any public offering or syndication document is specifically prohibited.
 16. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. It is recommended that the client retain an expert in this field, if needed.
 17. Disclosure of the contents of this report by the appraiser is controlled by the Appraisal Institute of which one or more signatures of this report is an MAI member and by the Florida Department of Professional Regulation, Division of Appraisal State Certification. The analysis and value conclusions, as well as non-public information about the subject property, are confidential matters and cannot be divulged to any persons other than the party for whom the report is prepared.
- Exceptions to this confidentiality provision are requests by committees of the Appraisal Institute or the Florida Department of Professional Regulations for peer review, and subpoenas by any court having jurisdiction to request production of the report.

18. Section 404.056(8) of the Florida Statutes requires that prior to or at the time a rental agreement or contract for any building is executed, the following disclosure statement must be issued:

"RADON GAS: is a naturally occurring gas that, when it has accumulated in a building in sufficient quantities, may present risk to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in building in Florida. Additional information regarding radon and radon testing may be obtained from your public health unit."

Appraisal Assumptions

19. The date of valuation is December 1, 2024 that coincides with the monthly anniversary of the lease. The property was visited on November 25, 2024. We have assumed the property remains in the same condition as of the date of valuation as of the date of the property visit.

20. This appraisal assumed the subject property is free and clear of any environmental contamination associated with past and present airport use. The analysis of environmental contamination is beyond our expertise and Phase I and II environmental audits are recommended for the property. The existence of environmental contamination could have a significant affect on the value conclusions within this report.

Acceptance or use of this report constitutes acceptance of the preceding conditions.

OWNERSHIP, LEGAL DESCRIPTION AND HISTORY OF THE PROPERTY

Ownership and History

Space Coast Regional Airport (TIX) is owned and operated by the Titusville-Cocoa Airport Authority (TCAA), 51 Bristow Way, Titusville, Florida. It is our understanding all of the land, as well as most of the pavement and building improvements at the airport are owned by TCAA and the subject property was leased by Sheltair Space Coast, LLC in 2002 under a long-term lease. It should be clearly understood that the identification of the ownership and title analysis was not performed and is beyond the scope of this assignment. The following is a brief summary of the property history.

Hangar Buildings 40 and 41 were leased by the TCAA to Sheltair Space Coast, LLC in January 2002 for an initial term of 20 years that commenced April 1, 2002. The lease includes four, 5-year renewal options (40-year total term) and provides for the tenant to pay land and building rent for the duration of the lease. As of the date of valuation, the leasehold interest in Hangar Buildings 40 and 41 had 17.33 years remaining, including the renewal options. The purpose of this appraisal is to estimate the present value of the remaining leasehold interest (17.33 years) in the subject property through the end of the existing lease term (March 31, 2042), including the renewal options.

As noted, Hangar Buildings 40 and 41 contain a combined total of 12,950 square feet and were built in 1990 and 1991. The hangars were leased to Sheltair in 2002 on a long term basis. Sheltair renovated the hangars, including air conditioning the hangar areas of both hangars and subsequently subleased the hangars to a single tenant. We were not provided or reviewed the sublease. Sheltair provided a rent roll of the buildings that indicates subtenant Helix pays \$182,866 per year, or about \$14.12 per square foot on a net basis, with the tenant responsible for utilities, liability insurance and minor maintenance. The current rent was considered in our analysis.

Legal Description

The following legal description is from a survey provided by the tenant.

"BUILDINGS 40 & 41 PARCEL": A parcel of land lying in Section 2, Township 23 South, Range 35 East, Brevard County, Florida described as follows: Commencing at the South 1/4 corner of said Section 2, thence S.89°55'44"W., along the South line of the Southwest 1/4 of said Section 2, a distance of 2640.15 feet to the Southwest corner of said Section 2; thence N.45°58'47"W., 349.59 feet to a point lying on the Southwesterly prolongation of the physical centerline of Challenger Avenue; thence N.44°01'13"E., along said centerline, 1200.20 feet; thence N.45°58'47"W., 12.00 feet to the point of beginning of the parcel of land herein described; thence N.45°58'47"W., 230.50 feet; thence N.44°01'13"E., 390.00 feet; thence S.45°58'47"E., 230.50 feet; thence S.44°01'13"W., 390.00 feet to the Point of Beginning.

AIRPORT HISTORY

Space Coast Regional Airport (TIX) is owned and operated by the Titusville-Cocoa Airport Authority (TCAA). TCAA is a quasi-governmental body that oversees the operation of the three airports within Brevard County, Florida including Arthur Dunn (X21) and Space Coast Regional (TIX) in Titusville and Merritt Island (COI) located in unincorporated Brevard County. TCAA was formed by the cities of Titusville and Cocoa in 1963 to “service the local, commercial and corporate aviation needs as well as stimulate economic growth in the community”. TCAA is comprised of a seven-member appointed board. TCAA oversees operation of the airports and may levy ad valorem taxes on all properties within the district. The following is a brief summary of the airport history of TIX.

Space Coast Regional Airport (TIX) was originally developed as the Titusville-Cocoa Auxiliary Field by the U.S. Navy in 1939 as a supplemental airfield to the Sanford Naval Air Station. In 1947, the Navy transferred the airport to the cities of Titusville and Cocoa. The cities jointly operated the airport and formed an authority in 1959. In the late 1960’s, the airport was transferred to TCAA. Space Coast Regional has continued to operate as the primary reliever airport for northern Brevard County. For a time, the airport was used for limited commercial passenger aircraft service that has since been stopped. Currently, the airport is the base of operation to several fixed base operators and multiple individual aircraft owners. The airport caters to corporate traffic, flight schools and local pilot traffic. TIX is also a licensed launch site operator by the FAA to conduct horizontal launch operations.

PURPOSE, INTENDED USE/USER AND DATE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the remaining leasehold interest (17.33 years) in the subject property through the end of the existing lease term (March 31, 2042), including the renewal options. It is our understanding that the intended use of the appraisal is to assist the client (TCAA) in negotiating the potential purchase of the subject property from a willing seller (Sheltair) and the intended user of this report is the TCAA. Additional intended users include TCAA’s advisors, the Florida Department of Transportation (FDOT) and the Federal Aviation Administration (FAA). There are no other intended uses or intended users of this report. The date of valuation is December 1, 2024, and the date of the report is December 24, 2024. It should be noted that the date of valuation coincides with the monthly anniversary of the lease. The property was visited on November 25, 2024. We have assumed the property remains in the same condition as of the date of valuation as of the date of the property visit.

SCOPE OF THE APPRAISAL

The scope of this appraisal is based on the purpose of the appraisal that is limited to an estimate the market value of the remaining leasehold interest (17.33 years) in the subject property through the end of the existing lease term (March 31, 2042), including the renewal options. As noted, the subject building improvements are located on leased aeronautical land. It was noted the scope of the appraisal is limited to the market value of the subject property as described herein and excludes the underlying land.

The scope of this appraisal report includes an analysis of the subject property and its surrounding environment in order to estimate its highest and best use and market value of the subject property as outlined herein. We have made a recent visit to the property and reviewed factual data concerning its condition. The data reviewed included available building plans, lease information and other items provided by Sheltair and the TCAA including the airport master plan.

The scope of our analysis is limited to estimates of market value of the subject property, excluding the underlying land. This appraisal included an estimation of the highest and best use of the property. This analysis included a visit to the property, gathering information concerning potential uses of the property, as well as a review of market conditions for the property. The subject property is considered by TCAA to be aeronautical property due to its land use designation, as well as its location adjacent to the TIX Airport Operating Area (AOA). As will be discussed, the highest and best use of the property is for its continued aeronautical use.

After concluding the highest and best use, the valuation methods are considered. The appraisal process includes three basic approaches to value, including the income, sales comparison and cost approaches. The application of these approaches is determined by the type of property being appraised, as well as the scope of the valuation assignment. Based on our analysis, the income approach to value was considered most relevant to this assignment. Based on our research, sales of leasehold interests in aeronautical buildings are scarce and typically include non-realty items that make it difficult to separate the real estate interest from the machinery, equipment and going concern, etc. interests. We could not find sales of leaseholds of similar aeronautical buildings and, as such, we did not utilize the sales comparison approach in the valuation of the subject property.

We have used the income approach to estimate the present value of the right to receive income (i.e., net operating income) from the subject property for the remainder of the lease term (17.33 years). The subject improvements are currently rented to various tenants. In this analysis, we have relied on the current rents for the subject building improvements. In this analysis, income and expenses attributable to the subject property were estimated to

derive an indication of net operating income over the remaining term of the lease that was then discounted to a single present value.

The final step in the appraisal process is the reconciliation of the appraisal methods used. The quantity and quality of the data used and the reliability of their value indications are the basis for the value conclusions.

DEFINITION OF VALUE AND INTEREST APPRAISED

The Uniform Standards of Professional Appraisal Practice (2024 Edition) defines **Market Value** as “a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.”

We have relied on the definition of **Market Value** as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Federal Register 77472, Volume 75, No. 237, December 10, 2010).

Other pertinent definitions from the Dictionary of Real Estate Appraisal, Seventh Edition, are as follows:

Fee Simple Estate is the “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Leased Fee Interest is “the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.”

Leasehold Interest is the "interest held by a lessee (tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions."

Market Rent is "the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)."

Present Value is the “value of a future payment or series of future payments discounted to the current date or to time period zero.”

Exposure Time is “the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”

Marketing Time is “an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisals.”

EXPOSURE AND MARKETING TIME

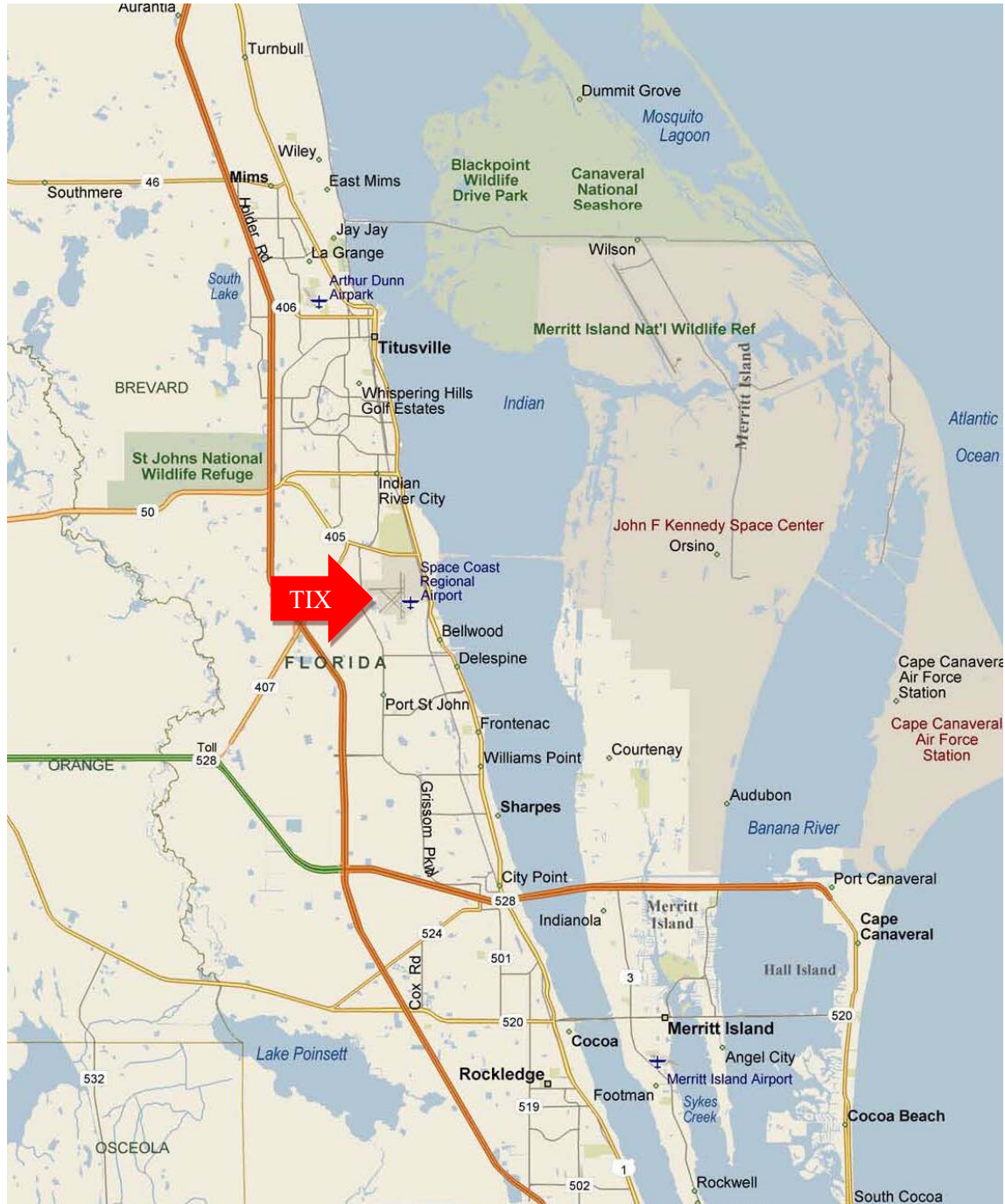
Exposure and marketing times are the typical periods of time necessary to expose and actively market the subject property on the open market to achieve a sale at a price consistent with the market value estimate and on terms consistent with the definition of market value recited herein. The length of time is a function of several factors including price, terms, investment quality and exposure to a given market. Exposure time is the hypothetical period immediately preceding the effective date of the appraisal and marketing time is the period immediately after the effective date of the appraisal.

A review of current market activity for aeronautical properties in Florida was performed in order to estimate an exposure time for the subject property. Based on our research, the demand for aeronautical properties indicates an exposure/marketing times are typically less than one year, if the property is priced realistically.

Based on our research, we have estimated a typical exposure period for the subject property was estimated to be up to 12 months. We have further estimated a marketing time of up to 12 months.

AREA DISCUSSION

Space Coast Regional Airport (TIX) is located in Titusville in northern Brevard County, Florida. The recipients of this report are familiar with the Titusville and Brevard County areas and this area discussion is, therefore, limited.



AIRPORT OVERVIEW

The aviation industry in central Florida is characterized by numerous general aviation airports with regional commercial airports located in the vicinity of area population concentrations. The regional commercial airports in the area include Orlando International, Tampa International, Southwest Florida Regional, Sarasota-Bradenton, Orlando-Sanford, St. Petersburg-Clearwater, Daytona Beach and Melbourne Regional Airports. According to a review of the FAA's "Airport Activity Statistics of Certified Route Air Carriers" the airport hub classifications, the local regional commercial airports are as follows:

<u>Airport</u>	<u>CY 2023 Enplanements</u>	<u>Hub Size</u>
Orlando Int'l	24,803,177	Large
Tampa Int'l	11,677,560	Large
Southwest Florida Int'l	4,963,261	Medium
Sarasota-Bradenton Int'l	2,144,700	Small
Orlando Sanford Int'l	1,446,878	Small
St. Petersburg-Clearwater Int'l	1,246,317	Small
Punta Gorda	949,732	Small
Melbourne Int'l	363,837	Non
Daytona Beach Int'l	348,837	Non

A review of the "Florida Aviation System Plan 2035" (FASP) prepared by the Florida Department of Transportation (FDOT) and Federal Aviation Administration (FAA), indicates TIX is designated as a community airport. The FASP identifies 131 public airports in Florida. The FASP classifies airports within Florida into two general categories: Commercial Service and General Aviation. Within Florida, the FASP identifies 19 commercial airports and 112 community (general aviation) airports. The FASP divides the state into nine regions and identifies the airports within each region according to the use classification. TIX is classified as a "general aviation" airport within the East Central Florida Metropolitan region, which includes Brevard, Flagler, Lake, Orange, Osceola, Seminole and Volusia Counties. The FASP identifies the public use airports in the East Central Florida region as follows:

Commercial Airports

Daytona Beach Int'l
Melbourne Int'l
Orlando Int'l
Orlando-Sanford Int'l

Community Airports

Arthur Dunn Airpark
Deland Munic.
Flagler Exec.
Kissimmee Gateway
Leesburg Int'l
Merritt Island
New Smyrna Bch. Munic.

Community Airports

Orlando Exec.
Ormond Beach Exec.
Pierson Munic.
Space Coast Reg'l
Tavares Seaplane Base
Umatilla Munic.
Valkaria



The FASP is useful in establishing the universe of airports within the state and segregating the airports based on use characteristics. The FASP helps identify the airports which are similar in terms of geographic location and use. In our analysis, we researched rental rates for aeronautical properties at airports within Florida, concentrating on airports in the central eastern section of Florida. Please refer to the valuation section which follows.

Florida Aviation System Plan 2025

1. Apalachicola Municipal
2. St. George Island
3. Quincy Municipal
4. Pensacola Regional
5. Costlin
6. Eglin AFB (Okaloosa)
7. Bob Sikes
8. Calhoun County
9. Tallahassee Regional
10. Tri-County
11. Tallahassee Commercial
12. Marianna Municipal
13. Peter Prince Field
14. Carrabelle-Thompson
15. DeFuniak Springs
16. Ft Walton Beach
17. Coastal
18. Panama City-Bay County International
19. Wakulla County
20. Ferguson
21. Destin-Ft Walton Beach
22. Williston Municipal
23. Crystal River
24. Cross City
25. Ames Field
26. Flying Ten
27. Perry-Foley
28. George T. Lewis
29. Dunnellon/Marion County
30. Inverness
31. Gainesville Regional
32. Lake City Municipal
33. Suwannee County
34. Ocala International - Jim Taylor Field
35. Rudy's
36. Palatka Municipal Lt. Kay Larkin
37. Keystone Airport
38. Hilliard Airport
39. Craig Municipal
40. Fernandina Beach Municipal
41. St. Augustine
42. Jacksonville International
43. Hertong
44. Cecil Field
45. Mid Florida Air Service
46. Bob Lee Flight Strip
47. DeLand Municipal- Sidney H Taylor Field
48. Flagler County
49. Daytona Beach International
50. Miami Heliport
51. Massey Ranch Airport
52. Orlando Sanford International
53. Bob White Field
54. Orlando/Apopka County
55. Pierson Municipal
56. Ormond Beach Municipal
57. Leesburg Regional
58. Executive
59. Kissimmee Gateway
60. Valparaiso
61. Orlando International
62. Melbourne International
63. Merritt Island
64. New Smyrna Beach Municipal
65. Arthur Dunn Airport
66. Space Coast Regional
67. Umatilla Municipal
68. Zephyrhills Municipal
69. Peter O Knight
70. Tampa North Aero Park
71. Tampa International
72. Clearwater Airport
73. Albert Whitted
74. St. Petersburg-Clearwater International
75. Pilot Country
76. Plant City Municipal
77. Vandenberg
78. Hernando County
79. South Lakeland
80. Jack Brown's SPB
81. Avon Park Executive
82. Wauchula Municipal
83. Chalet Suzanne Air Strip
84. Bartow Municipal
85. Winter Haven's Gilbert
86. Arcadia Municipal
87. River Ranch Resort
88. Lake Wales Municipal
89. Sebring Regional
90. Lakeland Linder Regional
91. Buchanan
92. Marco Island
93. Page Field
94. Immokalee Regional Airport
95. La Belle Municipal
96. Naples Municipal
97. Airglades
98. Charlotte County
99. Shell Creek Airport
100. Southwest Florida International
101. Airport Manatee
102. Everglades Airport
103. Venice Municipal
104. Sarasota/Bradenton International
105. Okeechobee County
106. Sebastian Municipal
107. St. Lucie County International
108. Witham Field
109. New Hibiscus Airport
110. Vero Beach Municipal
111. Indiantown
112. Palm Beach County Glades
113. Fort Lauderdale Executive
114. Downtown Ft Lauderdale
115. Dade-Collier Training and Transition
116. Boca Raton
117. Fort Lauderdale-Hollywood International
118. Opa-locka
119. Miami International
120. Opa-locka West
121. Key West International
122. North Perry
123. Pompano Beach Airport
124. Kendall-Tamiami Executive
125. North Palm Beach Co. General Aviation
126. Palm Beach International
127. Palm Beach County Park
128. Miami SPB
129. Homestead General Aviation
130. The Florida Keys Marathon
131. Belle Glade State Municipal

GA

TIX

Space Coast Regional Airport (TIX)

Space Coast Regional Airport (TIX) is located in central Brevard County and is operated by the TCAA. TIX is a general aviation airport with a tower and no scheduled airline transportation. The airport property contains approximately 1,650 acres and includes both aviation and non-aviation activities. In 2020, TIX was issued a launch site operator license by the FAA to conduct horizontal launch operations.

The aviation areas are referred to as the Airport Operating Area (AOA) and include general aviation terminal, general aviation hangar buildings, t-hangars, fuel farm, runways, ramp and supporting areas. TIX has a zoning classification of P (Public Use) and a land use designation of "Public/Semi Public 0.2 FAR". Please refer to the airport site plan. TIX has two runways in a 09-27 and 18-36 configuration. The following is a summary of the TIX airport facilities:

Location

Street Reference: In the vicinity of Golden Knights Boulevard, west of U.S. Highway 1, Titusville, Brevard County, Florida

Coordinates: N 28°30.89'
W 81°47.95'

Elevation: 34 feet

Airport Facilities

Hours of Operation: 1200-0200Z

Control Tower: Yes

U.S. Customs: No

Fire/Rescue Station: Yes

FAA Part 139 Certificated: Yes

Runways: 09-27 5,000' x 100' Asphalt
18-36 7,319' x 150' Grooved Asphalt

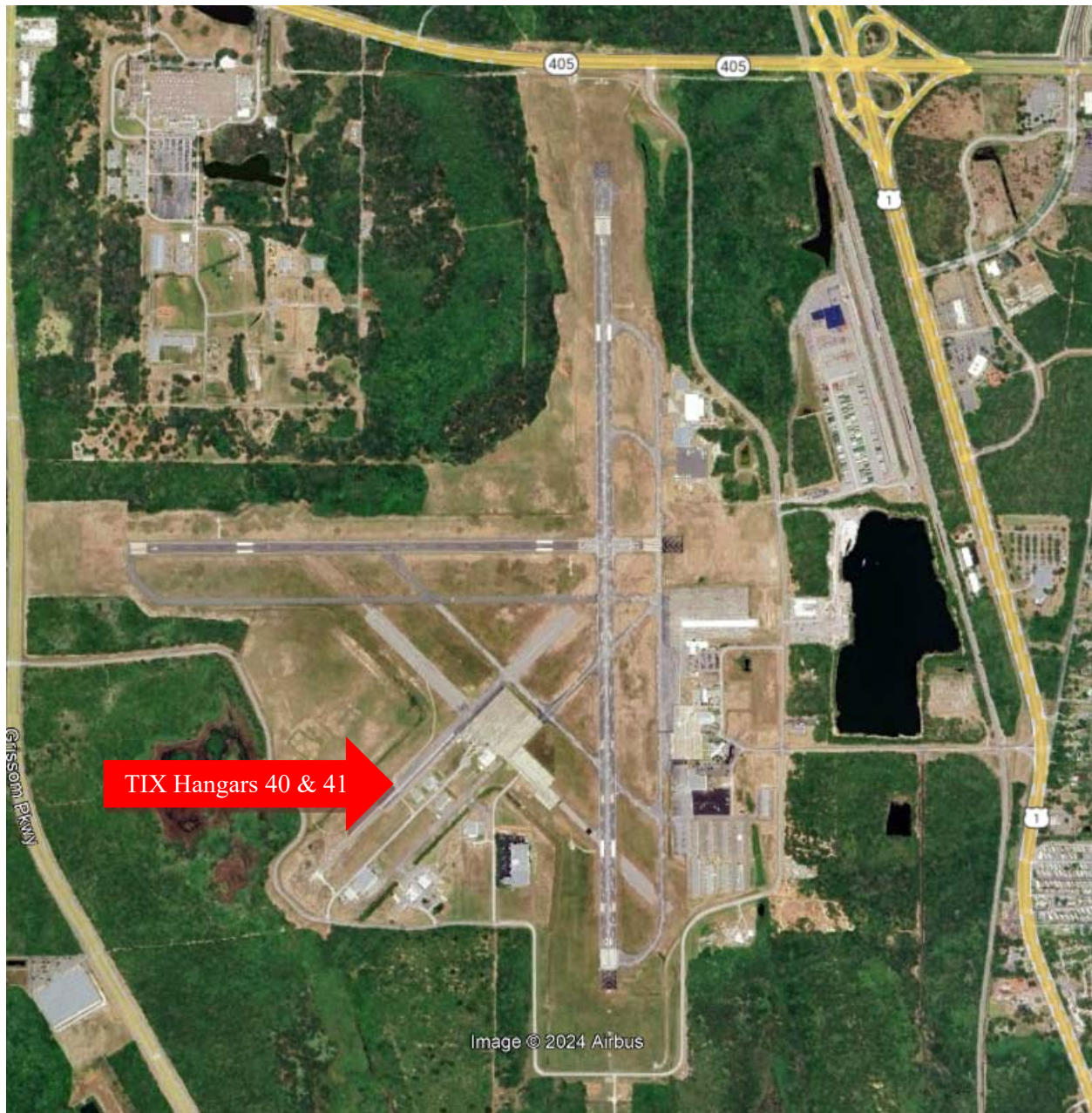
Approaches: ILS, GPS, Vortac

Lighting: Beacon
Runway 09-27 - MIRL, REIL, PAPI
Runway 18-36 - HIRL, REIL, PAPI
Runway 36 - MALSR, REIL, PAPI

ILS-	Instrument Landing System
NDB-	Non-Directional Beacon
MIRL-	Medium Intensity Runway Lighting
HIRL-	High Intensity Runway Lighting
PAPI-	Precision Approach Path Indicator
MALSR-	Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights
VASI-	Visual Approach Slope Indicator
REIL-	Runway End Identifier Lights

- S- Single Wheel Landing Gear Runway Bearing Capacity (,000 lbs.)
- D- Dual Wheel Landing Gear Runway Bearing Capacity (,000 lbs.)
- T- Twin Wheel Landing Gear Runway Bearing Capacity (,000 lbs.)
- DT- Dual-Tandem Landing Gear Runway Bearing Capacity (,000 lbs.)

Space Coast Regional Airport (TIX)



TIX serves as a general aviation and corporate airport within the Titusville-Cocoa area of Brevard County. The following is a summary of the activity information for TIX. According to the FAA's "Airport Operations at Airports with FAA-Operated Control Towers" regarding the activity in Florida and at TIX, the total and general aviation operations are as follows:

TIX & Florida Airport Operations								
Year	Total Operations				GA Operations			
	TIX	% change	Florida	% change	TIX	% change	Florida	% change
2019	84,849		6,776,734		84,230		4,465,894	
2020	87,035	2.6%	5,809,924	-14.3%	86,749	3.0%	4,024,719	-9.9%
2021	83,617	-3.9%	5,857,123	0.8%	83,273	-4.0%	3,921,467	-2.6%
2022	80,054	-4.3%	6,487,755	10.8%	79,298	-4.8%	4,238,052	8.1%
2023	99,224	23.9%	7,173,732	10.6%	98,705	24.5%	4,795,645	13.2%

In addition, the operations at TIX are divided by category as follows:

TIX Operations					
Year	Local	Itinerant	AirTaxi	Military	Total
2019	48,276	35,954	429	190	84,849
2020	52,148	34,601	199	87	87,035
2021	52,769	30,504	195	149	83,617
2022	49,013	30,285	493	263	80,054
2023	61,179	37,526	429	90	99,224

According to the airport manager, the total general aviation fuel flowage at TIX are as follows:

TIX Fuel Flowage				
Year	AvGas	JetA	Total	% Change
2019	99,942	219,988	319,930	
2020	73,961	265,272	339,233	6.0%
2021	99,205	329,330	428,535	26.3%
2022	103,100	340,400	443,500	3.5%
2023	141,189	436,131	577,320	30.2%

According to the airport manager, the total based aircraft at TIX, is as follows:

TIX Based Aircraft						
Year	SE	ME	Jet	Helo	Based Aircraft	% Change
2019	80	21	1	18	120	
2020	80	21	1	18	120	0.0%
2021	69	9	1	18	97	-19.2%
2022	68	9	1	18	96	-1.0%
2023	83	12	1	17	113	17.7%

According to the FAA’s “U.S. Civilian Airmen Statistics”, the population of licensed pilots in Brevard County is as follows:

Brevard County Airmen Population					
Year	Total	Commercial	Airline Transport	Student	Private
2019	3,292	522	1,199	858	686
2020	3,439	564	1,226	1,763	704
2021	3,646	615	1,245	1,039	720
2022	3,879	654	1,257	1,171	769
2023	4,154	693	1,299	1,327	807

Florida Airmen Population					
Year	Total	Commercial	Airline Transport	Student	Private
2019	68,914	11,691	20,223	22,225	14,186
2020	72,499	12,565	20,572	24,357	14,401
2021	75,551	12,841	21,175	26,531	14,338
2022	79,403	12,847	21,959	29,293	14,665
2023	85,597	13,212	23,185	33,038	15,507

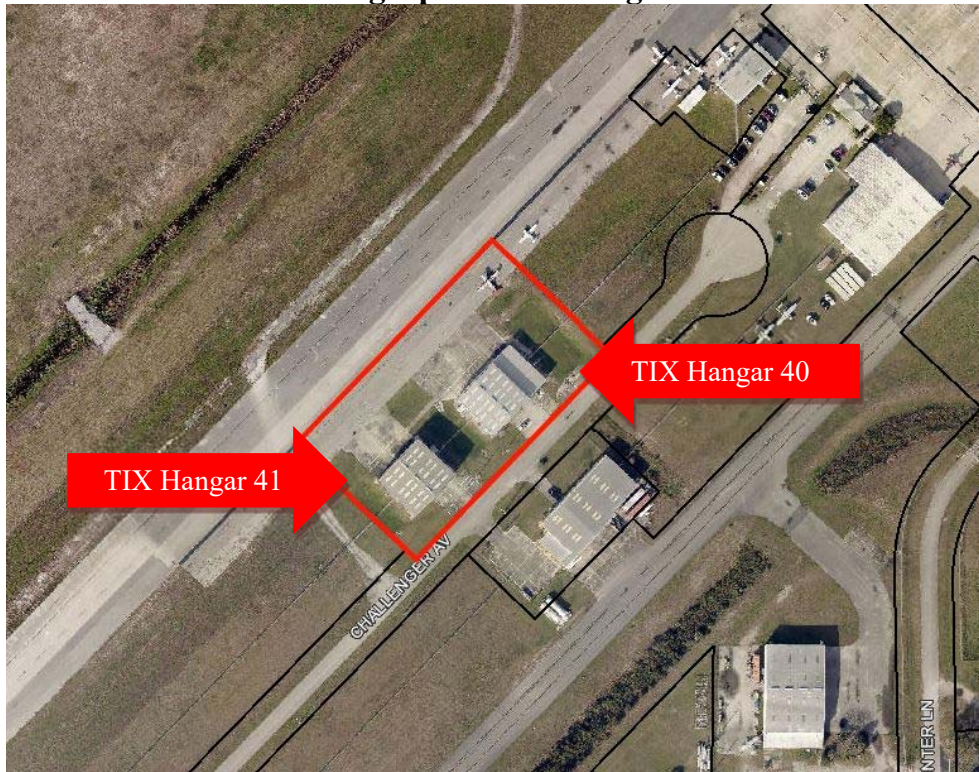
The above statistics of airport activity at TIX were analyzed in terms of the business trends in the area, as well as for purposes of comparison with other airports and were considered on our analysis.

DESCRIPTION OF THE PROPERTY

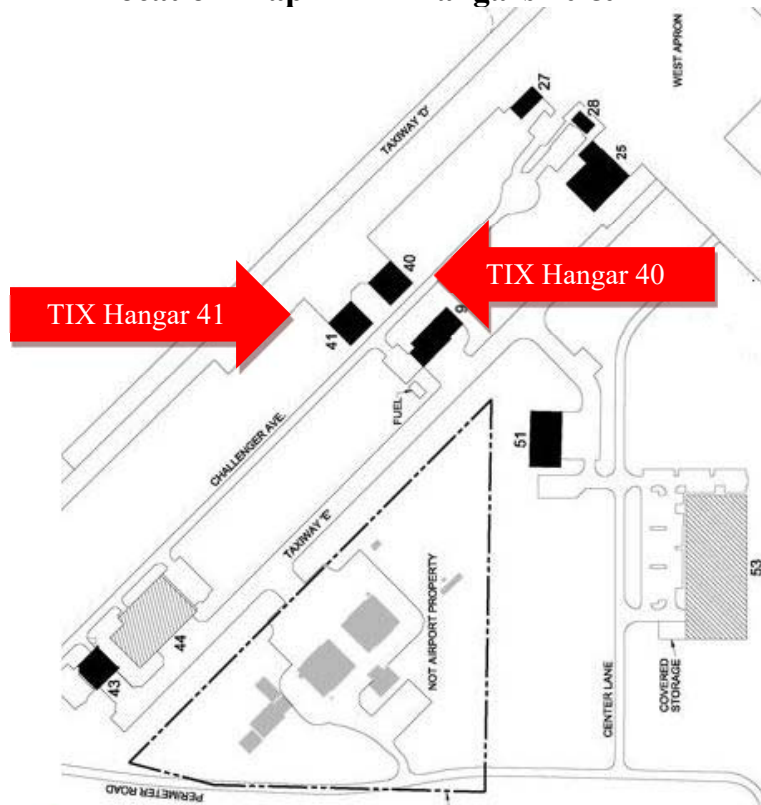
The subject property represents a parcel of aeronautical land that is improved with two buildings at the Space Coast Regional Airport, Titusville, Brevard County, Florida. TIX Hangars 40 and 41 are pre-engineered metal hangar buildings located in the southwest quadrant of the TIX. Both hangars are air conditioned and have epoxy coated flooring. TIX Hangar 40 contains about 7,350 square feet, including hangar area that contains 4,900 square feet and office area that contains 2,450 square feet. The building was constructed in 1990 and has a street address of 7016 Challenger Avenue, Titusville, Florida. The hangar has a bi-fold door that provides an opening of about 68 feet wide and about 18' high. TIX Hangar 41 is a hangar that contains about 5,600 square feet. The building was constructed in 1991 and has a street address of 7018 Challenger Avenue, Titusville, Florida. The hangar has a bi-fold door that provides an opening of about 78 feet wide and about 18' high.

The facility is considered to be in good condition based on its age and level of maintenance provided. It was noted that at the beginning of the lease, Sheltair upgraded the facilities, including epoxy floor coating, air conditioning and insulating the hangar areas of both buildings. The site area included in the lease contains 2.06 acres. Site improvements include paved areas in front to each hangar for vehicular parking and staging aircraft, as well as nominal landscaping. Photographs of the buildings are included in the addenda.

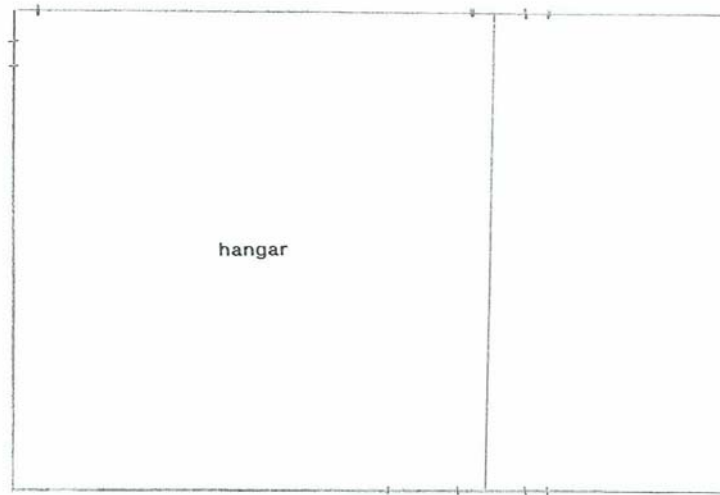
Aerial Photograph – TIX Hangars 40 & 41



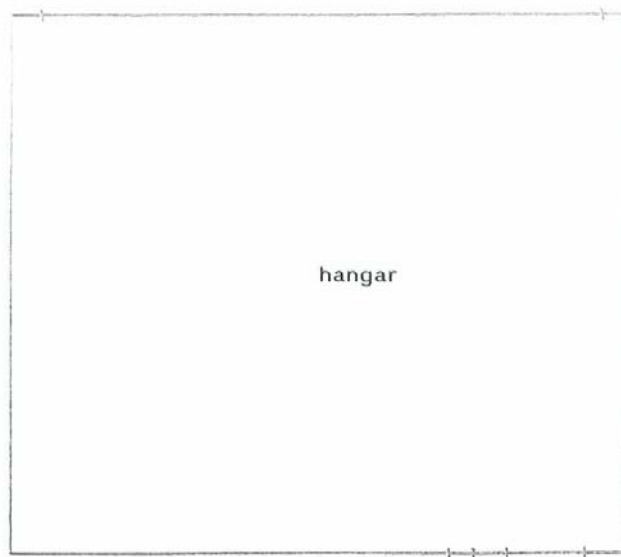
Location Map – TIX Hangars 40 & 41



Floor Plan – TIX Hangar 40



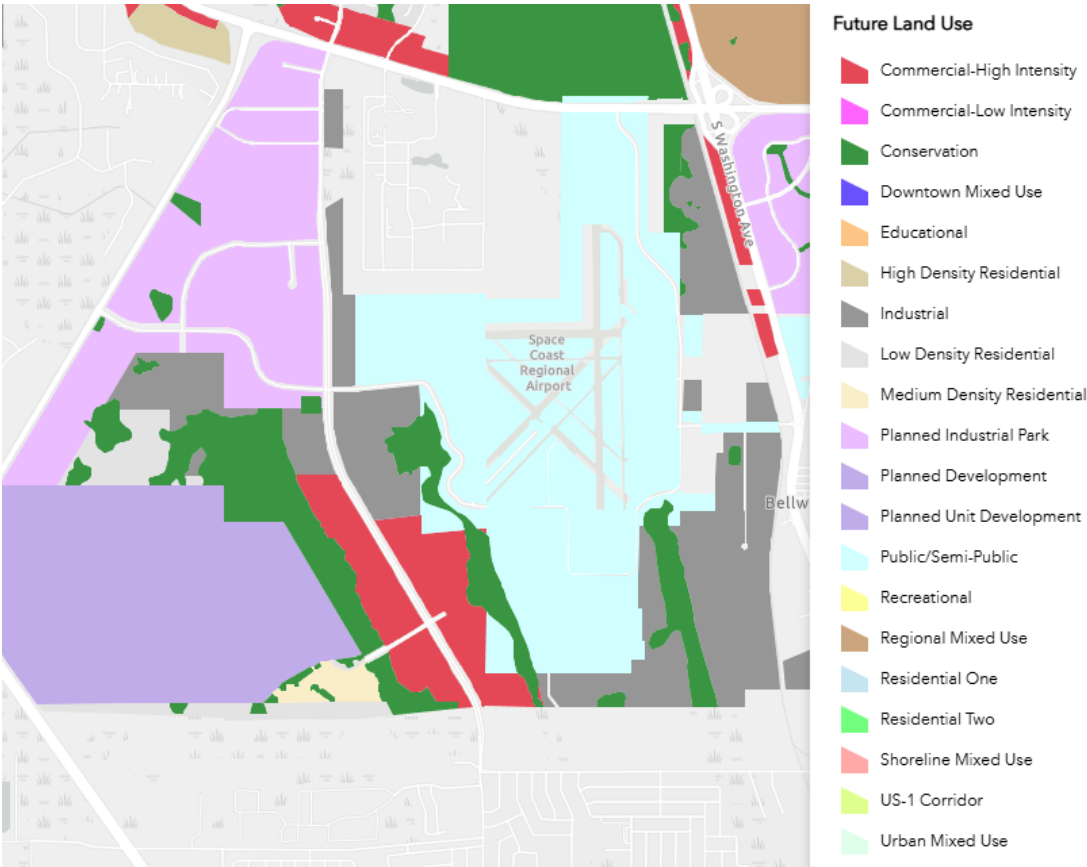
Floor Plan – TIX Hangar 41



ZONING AND LAND USE

The subject property is located within the City of Titusville and the site has a land use of Public/Semi-Public and is zoned Public Use. The subject improvements are purpose-built improvements that appear to be a permitted and conforming use.

Land Use/Zoning Map



REAL ESTATE TAXES

The Brevard County Property Appraiser's (BCPA) office has assessed the subject property in 2024 as follows:

TIX Hangars 40 & 41

BCPA Parcel Number: 23-35-02-00-505

Total Assessment: \$652,360

Real Estate Taxes: Exempt

HIGHEST AND BEST USE

The following definitions are from The Dictionary of Real Estate Appraisal (Seventh Edition) published by the Appraisal Institute:

Highest and Best Use is the “reasonably probable use of property that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”

Highest and Best Use As Though Vacant is the use “among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

In estimating highest and best use, there are essentially four stages of analysis:

1. Possible Use - normally dictated by physical constraints.
2. Permissible Use - what use would be permitted in consideration of existing zoning and other applicable laws governing the use of the property, as well as any deed restrictions that may exist.
3. Feasible Use - which possible and permissible uses will produce a net return to the owner of the site.
4. Maximally Productive - among feasible uses, which use will produce the highest net return to the land.

To meet the tests of highest and best use, the use cannot be speculative or conjectural. It must be legal and probable. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time. The highest and best use of the land is for aeronautical development within the constraints of land use, zoning, minimum standards, the Airport Layout Plan (ALP) and market demand. Based on the foregoing, our highest and best use analysis is limited to the subject property, as improved.

Highest and Best Use As Improved is “the use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

The highest and best use conclusion, as improved, is dictated largely by the existing improvements on the property. The subject property represents two hangar buildings (TIX Hangars 40 and 41) that were constructed in 1990-1991. The subject buildings are considered to be in good condition. The design of the subject facility is considered functional based on the operating capacity of the airport.

Since the existing improvements have been constructed on the site, the property becomes an integral unit consisting of both land and improvements. The integration of land and buildings relates to the concept of the marginal dollar. This theory implies that the existing use will continue as long as the property, as improved, has a market value exceeding the market value of the site, as vacant.

The highest and best use, as improved, considers the use that should be made of a property as it exists. Existing improvements should be renovated or retained as long as they contribute to the total value of the property, or until the return from the new improvement would more than offset the costs of demolishing those existing. Based on our analysis, the highest and best use of the subject buildings, as improved is for their continued use for the foreseeable future.

SUMMARY OF ANALYSIS AND VALUATION

There are three generally recognized approaches considered in the valuation of real property. They include the income, sales comparison, and cost approaches. It should be noted that the appropriateness and reliability of each approach depends on the type of property being appraised, the age and condition of the improvements, if any, and the availability and quality of market data available for analysis.

The income approach provides an indication of value of a property based on a conversion of anticipated benefits (net income). The method of conversion is called capitalization and is either based on a single year's income (direct capitalization), or several years' income (discounted cash flow). The sales comparison approach provides an indication of value based on sales of properties considered similar. The cost approach provides an indication of the value of a property represented by the reproduction cost of the existing improvements, less accrued depreciation, to which is added the land value.

As noted, the subject building improvements are located on a parcel of leased aeronautical land and the scope of the appraisal is limited to the present value of the remaining leasehold interest in the subject property through the end of the existing lease term (through March 31, 2042), including the renewal options. As such, for valuation purposes, Sheltair's leasehold interest in Hangars 40 & 41 is equal to the present value of the right to receive income (net operating income) for the continued use of the property for the next 17.33 years.

Based on the appraisal problem, the cost and sales comparison approaches are not considered pertinent. In the subsequent valuation section, we will use the income approach to value to estimate the present value of the remaining leasehold interest in Hangars 40 & 41. The appraisal process is concluded by a review and re-examination of each of the approaches to value employed. Consideration is given to the type and reliability of data used and the applicability of each approach. These factors are reconciled and a final value estimate is made.

INCOME APPROACH

The income approach is a procedure where anticipated economic benefits to be derived from property ownership are converted into a value estimate through a capitalization process. The principle of "anticipation" underlying this approach acknowledges that an investor recognizes a relationship between income and asset value. The process of estimating the anticipated economic benefits from a particular property requires the estimation of potential income, expense and net operating income, as well as the selection of the most appropriate capitalization method.

To estimate the market value of the remaining leasehold interest in the subject property as of the date of valuation (17.33 years) via application of the income approach to value, we have estimated the present value of the future net income stream that could be derived from the continued rental use of the subject property.

In this analysis, the net income from the rental operation of the subject property is converted into a single present value through discounting. Discounting is a procedure based upon the assumption that benefits received in the future are worth less than the same benefits received today. In other words, an investor must be compensated for foregoing present benefits, such as the immediate use of capital and instead, accepting future benefits.

In order to arrive at the current value of the future income stream, the periodic income is multiplied by a factor that is the equivalent of the present worth of \$1 per period (in this analysis, annual payments) compounded at the applicable interest rate for the number of periods remaining in the lease term. These present worth of \$1 factors are precomputed in numerous financial tables or can be computed with a calculator or with financial computer programs.

In this appraisal, the potential gross income (PGI) is estimated, as well as vacancy and collection loss, operating expenses, and net operating income (NOI). The vacancy and collection loss is deducted from the PGI and results in effective gross income (EGI). Operating expenses are deducted from the effective gross income resulting in net operating income. The net operating income is then forecast for the remaining term of the lease and then discounted to a present value. The analysis of the net operating income will be followed by the present value analysis.

Potential Gross Income

The subject property consists of Hangars 40 and 41 that contain a combined total of 12,950 square feet and were built in 1990 and 1991. The hangars were leased to Sheltair in 2002 on a long term basis. Sheltair renovated the hangars, including air conditioning the hangar areas of both hangars and subsequently subleased the hangars to a single tenant. We were not provided or reviewed the sublease. Sheltair provided a rent roll of the buildings that indicates subtenant Helix pays \$182,866 per year, or about \$14.12 per square foot on a net basis, with the tenant responsible for utilities, liability insurance and minor maintenance. The current rent was considered in our analysis. Based on our analysis, the current rent is considered to represent market rent as of the date of valuation and was relied upon in our estimate of the market value of the remaining leasehold interest in the subject property.

For valuation purposes, we have estimated the potential gross income attributable to the subject property at \$182,870.

Vacancy & Collection Loss

The investor is primarily interested in the cash revenues that an income property is likely to produce annually over a specified period of time, rather than what it could produce if it were always 100% occupied and all the tenants were actually paying their rent and expense reimbursement in full and on time. It is normally a prudent practice to expect some income loss, either in the form of actual vacancy, turnover, non-payment or slow payment of rent by tenants. Based on our analysis, hangar facilities similar to the subject property are in high demand in the area and at TIX, we have estimated a stabilized vacancy rate and collection loss of 5.0% for the subject property.

Effective Gross Income

Effective gross income is equal to potential gross income less vacancy and collection loss and we have estimated the stabilized effective gross income as follows:

Potential Gross Income:	\$182,870
Less Vacancy & Collection Loss (2%):	<u>-\$ 9,140</u>
Effective Gross Income:	\$173,730

Operating Expenses

In our analysis of the subject property based on its net income generating potential, we reviewed available expense information for the subject property and estimated other operating expenses based on industry standards, as well as conversations with building owners and property managers. The estimated annual operating expenses are summarized as follows:

Real Estate Taxes: The subject property as part of the TIX AOA is not currently assessed for ad valorem real estate taxes by Brevard County.

Insurance: We have estimated the property insurance for the subject property at \$1.50 per square foot or \$19,430.

Management/General Administrative: Based on the size of the property and complexity of management, we have estimated a management/general and administrative expense for the subject property at 3% of effective gross income, or \$5,210.

Repairs & Maintenance: We have estimated repairs and maintenance expenses applicable to the sublessor at \$19,430 (\$1.50 per square foot).

Airport Lease Rent: As noted, Sheltair leased Hangars 40 & 41 from TCAA and subsequently subleased the buildings to a single user after renovating the facility. The

current land rent for the subject property is \$91,020.

Utilities: The subject facility is subleased with the tenant responsible for all utilities.

Miscellaneous Expenses: We have estimated miscellaneous expenses at \$3,240 (\$0.25 per square foot).

Total Operating Expenses

Based on the above information, the operating expenses attributable to the subject property have been estimated at \$138,330, or \$10.68 per square foot. The operating expenses reflect an expense ratio of 79.6% of the effective gross income.

Net Operating Income (NOI)

The net operating income is the anticipated net income that remains after all operating expenses are deducted from effective gross income (potential gross income less vacancy and collection loss). We have estimated the current stabilized net operating income for the subject property at \$35,400, as follows:

Stabilized Income/Expense Statement			
TIX Hangars 40 & 41	Bldg SF	\$/SF	\$/Yr 1
Potential Gross Income	12,950	\$14.12	\$182,870
Vacancy/Collection Loss	5.0%		\$9,140
Effective Gross Income			\$173,730
Operating Expenses			
Real Estate Taxes		\$0.00	\$0
Insurance		\$1.50	\$19,430
Management/G&A	3.0%	\$0.40	\$5,210
Property Rent		\$7.03	\$91,020
Repairs & Maintenance		\$1.50	\$19,430
Utilities		\$0.00	\$0
Miscellaneous		\$0.25	\$3,240
Total Operating Expenses		\$10.68	\$138,330
Net Operating Income			\$35,400

Leasehold Interest Analysis

We have estimated current (Year 1) net operating income at \$35,400 in the previous section. As noted, there is approximately 17.33 years remaining on the Sheltair lease agreement. To estimate the present value of the net operating income for the remaining term of the lease, the net operating income has been forecasted to increase annually. It should be noted the lease provides for the ownership of the subject improvements to revert

to Palm Beach County at the end of the lease. As such, our analysis of the remaining leasehold interest in the subject property has not considered the reversionary value, if any, of the subject property at the end of the lease.

Based on current market conditions, it is virtually impossible to predict with any degree of certainty what property values will do for the remaining lease term. Nevertheless, it is a necessary part of the valuation process to project the future net operating income for the subject property. To project the future net operating income, we have reviewed changes in the Consumer Price Index (CPI). Over the past 10 years, the CPI has increased annually about 3%. We have projected the future net operating income for the subject property to increase annually at 3%.

In order to discount the future net income streams to present value, consideration was given to the interest rate which would attract investors to this type of property. Analysis of comparable sales of leased fee interests is preferable to estimate the applicable rate on the basis of what rate of return the buyer anticipated at the time of purchase. Unfortunately, such sales seldom occur, and when they do, often there are extenuating circumstances which affect the purchase price.

To estimate the appropriate discount rate applicable to the projected net income that could be derived from the continued rental operation of the subject property, we have reviewed national real estate investor surveys. The RealtyRates 3rd Quarter 2024 investor survey reflected average discount rates of 7.83% and 20.40% for special purpose properties, with an overall average of 11.05%. Based on the above analysis, and taking into consideration the overall condition of the subject facility, as well as the limited supply and significant demand for hangars at TIX, we have estimated an annual discount rate to be applied to the projected net operating income from the continued rental operation of the subject property to be 9.0%

To estimate the present value of the remaining leasehold interest in the subject property, we have projected future net operating income based on an annual increase of 3% and discounted the annual rental payments to a present value by multiplying the annual income by an annual present value factor. The annual present value factors are equivalent of the present worth of \$1 per period (in this analysis, annual payments) compounded at the applicable interest rate for the number of periods remaining in the lease term. These present worth of \$1 factors are precomputed in numerous financial tables or can be computed with a calculator or with financial computer programs. Based on the above analysis, we have estimated the present value of the leasehold interest in the subject property at \$370,000 as follows:

Leasehold Extension Present Value Analysis					
TIX Hangars 40 & 41			Net	Present	
Year	Start	End	Operating	Value	Present
			Income	Factor	Value/Year
1	12/1/24	11/30/25	\$35,400	0.9174312	\$32,480
2	12/1/25	11/30/26	\$36,460	0.8416800	\$30,690
3	12/1/26	11/30/27	\$37,550	0.7721835	\$29,000
4	12/1/27	11/30/28	\$38,680	0.7084252	\$27,400
5	12/1/28	11/30/29	\$39,840	0.6499314	\$25,890
6	12/1/29	11/30/30	\$41,040	0.5962673	\$24,470
7	12/1/30	11/30/31	\$42,270	0.5470342	\$23,120
8	12/1/31	11/30/32	\$43,540	0.5018663	\$21,850
9	12/1/32	11/30/33	\$44,850	0.4604278	\$20,650
10	12/1/33	11/30/34	\$46,200	0.4224108	\$19,520
11	12/1/34	11/30/35	\$47,590	0.3875329	\$18,440
12	12/1/35	11/30/36	\$49,020	0.3555347	\$17,430
13	12/1/36	11/30/37	\$50,490	0.3261786	\$16,470
14	12/1/37	11/30/38	\$52,000	0.2992465	\$15,560
15	12/1/38	11/30/39	\$53,560	0.2745380	\$14,700
16	12/1/39	11/30/40	\$55,170	0.2518698	\$13,900
17	12/1/40	11/30/41	\$56,830	0.2310732	\$13,130
18 (1)	12/1/41	3/31/42	\$19,320	0.2119937	\$4,100
Estimate Present Value at			9.0%		\$368,800

Note 1: Partial year

RECONCILIATION

The process of reconciliation reviews and reexamines the scope of the appraisal assignment, as well as the approaches to value that were used. Our analysis began with defining the scope of the assignment. The appraisal includes an estimate of present value of the remaining leasehold interest (17.33 years) in the subject property (Hangars 40 & 41) through the end of the existing lease term (through March 31, 2042). As noted, the facility is located on leased aeronautical land. As such, the scope of this analysis is limited to the valuation of the remaining leasehold interest in the subject building improvements.

In this analysis, we have used the income approach to value to estimate the present value of the leasehold interest in the subject property based on the existing lease. As noted, the cost and sales comparison approaches were not considered pertinent.

In our analysis, the income approach considered the present value of the potential net operating income that could be derived for the continued rental usage of the property over the remaining lease terms. The current net operating income was estimated based on current sublease rent and expenses were estimated based on typical expenses for a property of this type. The net operating income was projected for the remainder of the lease term (17.33 years) and included anticipated annual increases of 3%. The present value of the net operating income over the remaining lease term was estimated using annual present value factors. Based on the circumstances and quality of the data, this approach is considered a reliable indicator of value and we have estimated the present value of the remaining leasehold interest in the subject property as of December 1, 2024 to be \$370,000.

ADDENDUM A - Photographs of the Subject Property



TIX Hangar 40 - View of east and north elevations.



TIX Hangar 40 - View of west and south elevations.



TIX Hangar 40 – View of hangar area.



TIX Hangar 40 – View of typical office area.



TIX Hangar 40 – View of lobby area.



TIX Hangar 40 – View of shop area.



TIX Hangar 41 – View of south and east elevations.



TIX Hangar 41 – View of north and west elevations.



TIX Building 41 – View of hangar area.



TIX Building 41 – View of hangar area.



TIX Building 41 – View of dispatch area.



TIX Building 41 – View of storage area.

ADDENDUM B – Slack, Johnston & Magenheimer Airport Survey

General Aviation Airport Summary - Florida 2023-24

Prepared By: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida 33173
305-670-2111 E-mail: Info@SJMiami.com Website: SJMiami.com

Slack, Johnston & Magenheimer's 2023-24 general aviation airport survey included 59 airports within Florida. The 2023-24 survey was our 29th state-wide survey and included a variety of general aviation, non-hub commercial and small hub commercial airports with greater than +/-25,000 annual operations. Large and medium hub commercial airports were excluded from the survey. The primary focus of our survey was rental rates and charges for airport properties, including both aviation and non-aviation uses. The airports have been classified based on location, physical size, annual operations, based aircraft and fuel flowage. The data collected includes statistical information, as well as rates and charges information, for various types of airport properties.

The rates and charges information included fuel flowage fees, ground, pavement and building rental rates, as well as a variety of aircraft storage rates including tie downs, T, shade, corporate and community hangars. The survey results have been summarized into selected categories and represent only a portion of the information gathered. It should be noted this is a summary of our survey findings and this survey should not solely be relied upon to establish rates at any airport.

Slack, Johnston & Magenheimer's 2023-24 survey continues to indicate that, although there is a wide variation in geographic locations and non-aviation property values throughout the state, there is less of a variation in rental rates and charges for various components at general aviation airports. In our summary, the state was divided into four geographic regions. A list of the airports surveyed, as well as a state map delineating the geographic divisions is attached.

The scope of our survey included email questionnaires and personal telephone interviews with airport managers and fixed base operators (FBOs) conducted during mid-2024. In addition, our analysis included a review of several secondary general aviation data sources. These included the Florida Department of Transportation Florida Aviation System Plan and Federal Aviation Administration reports, as well as various third party data sources.

In our continued effort to monitor the condition of the general aviation industry in Florida, we have reviewed the general aviation activity levels including airport operations, based aircraft and fuel flowage, as well as civilian airmen population. In addition, we continue to monitor the commercial aviation industry in Florida, including enplaned passengers and cargo activity. This year's survey illustrates the general aviation market in Florida has fully recovered from the pandemic, with notable growth in the past five years in based aircraft (7%), operations (9%) and fuel flowage (46%).

Our statewide survey of general aviation and small/non-hub commercial airports indicates continued growth compared to 2022 in based aircraft (5%), operations (10%) and stable general aviation fuel flowage. Rental rate trends indicate continued increases in 2023 as compared to 2022. Demand and occupancies remain strong statewide.

The demand for general aviation fuel in 2023 remained stable as compared to 2022 and indicated an average increase of 46% over the past 5 years. Over the past Florida has seen significant growth in general aviation fuel flowage, including Southeast Florida (+46%), Southwest Florida (+58%), Northeast Florida (+28%) and Northwest Florida (+35%).

Our analysis of the annual operations at all Florida airports with FAA control towers built prior to 2013 indicated in 2023, increases in total operations (11%) and general aviation operations (13%) as compared to 2022. A review of the general aviation annual operations information indicates in 2023 there were increases in itinerant operations (8%) and local operations (20%) as compared to 2022. It was noted that for the first time since the pandemic both general aviation itinerant operations and general aviation local operations in 2023 exceeded pre-pandemic level.

Our analysis of the civilian airmen population nationally during 2023 indicated increases in total pilots (7%), student pilots (13%) and private pilots (2%) as compared to 2022. In Florida, the civilian airmen population increased in 2023 in total pilots (8%), student pilots (13%) and private pilots (6%) as compared to 2022. Over the past five years, Florida has seen significant growth in all pilot categories including total pilots (35%), student pilots (76%) and private pilots (13%).

A review of the commercial aviation activity including enplaned passengers and landed cargo indicates that activity continues to be primarily centered at Florida's large and medium hub airports. Commercial service airports reached a milestone in 2023 with over 100 million annual enplanements for the first time ever. Total enplanements at Florida's commercial service airports increased in 2023 about 6%. The recent trend in passenger enplanement distribution continued, with small and non-hub commercial service airports that indicated an annual increase in enplanements of about 8%, slightly outpacing the large and medium hub commercial service airports that indicated an annual increase in enplanements of about 5%. Florida's cargo market remains stable, with an increase in landed cargo of about 10% in 2023 as compared to 2022. MIA continues to dominate the cargo market in Florida with about 73% of all landed cargo in 2023. It was noted the distribution of cargo among Florida airports continues evolve with the advent of carrier specific cargo operations that have led to double digit declines in cargo volume at half the large and medium hub airports (excluding MIA).

The following information summarizes our survey. As always, we thank those who participated in the survey. We look forward to continuing to serve the rates and charges and general real estate valuation and consulting needs of the Florida aviation community. Let us know if we can further assist you.

Slack, Johnston & Magenheimer is a valuation firm based in Miami, Florida for over 60 years and has provided appraisal and consulting services to over 60 airports. For more information visit www.sjmiami.com or call us at 305-670-2111. We find solutions!

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General Aviation Airport Survey - Florida 2023-24

Prepared by: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida

Phone: 305-670-2111 Email: info@SJMiami.com Website: SJMiami.com

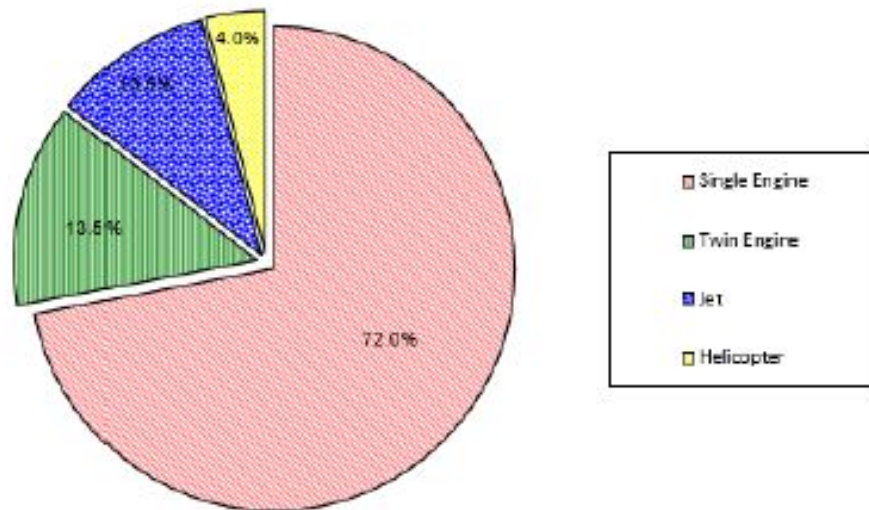
General Aviation, Non-Hub Commercial and Small-Hub Commercial Airports with > +/-25,000 Annual Ops

	Airports Surveyed	Airport Size (Acres)	Based Aircraft	Annual GA Operations	Annual GA Fuel Flowage	Fuel Flowage Fee (\$/gal.)	Annual Ground Rent (\$/Sq. Ft.)	Aircraft Storage			
								Tie-Down S.E. (\$/mo.)	T-Hangers S.E. (\$/mo.)	T.E. (\$/mo.)	Shade S.E. (\$/mo.)
Total	59	4,000	626	315,600	26,516,000	\$0.200	\$0.70	\$300.00	\$1,400	\$2,500	\$500
High-		47	10	34,100	10,000	\$0.030	\$0.10	\$40.00	\$162	\$300	\$134
Low-		1,135	200	102,100	2,361,000	\$0.052	\$0.33	\$121.00	\$524	\$687	\$257
Mean-											
Southeast	16	3,700	626	315,600	26,516,000	\$0.150	\$0.66	\$250.00	\$1,400	\$2,500	\$500
High-		757	10	34,100	10,000	\$0.030	\$0.10	\$80.00	\$275	\$701	\$248
Low-		1,045	226	121,300	4,420,000	\$0.054	\$0.33	\$153.00	\$626	\$1,440	\$374
Mean-											
Southwest	19	2,400	399	191,300	11,531,000	\$0.100	\$0.70	\$225.00	\$695	\$870	\$400
High-		47	62	36,000	63,000	\$0.040	\$0.15	\$40.00	\$201	\$300	\$134
Low-		945	218	80,300	1,750,000	\$0.077	\$0.35	\$96.00	\$440	\$558	\$244
Mean-											
Northeast	20	2,800	320	182,100	4,943,000	\$0.200	\$0.45	\$300.00	\$820	\$1,030	\$138
High-		138	65	40,000	33,000	\$0.040	\$0.17	\$40.00	\$162	\$357	\$138
Low-		1,210	176	116,100	1,252,000	\$0.063	\$0.29	\$111.00	\$415	\$554	\$138
Mean-											
Northwest	4	4,000	178	74,700	2,505,000	\$0.130	\$0.43	\$150.00	\$635	\$635	n/a
High-		335	36	42,500	1,340,000	\$0.040	\$0.33	\$110.00	\$300	\$450	n/a
Low-		2,024	129	58,900	1,831,000	\$0.075	\$0.39	\$128.00	\$475	\$602	n/a
Mean-											

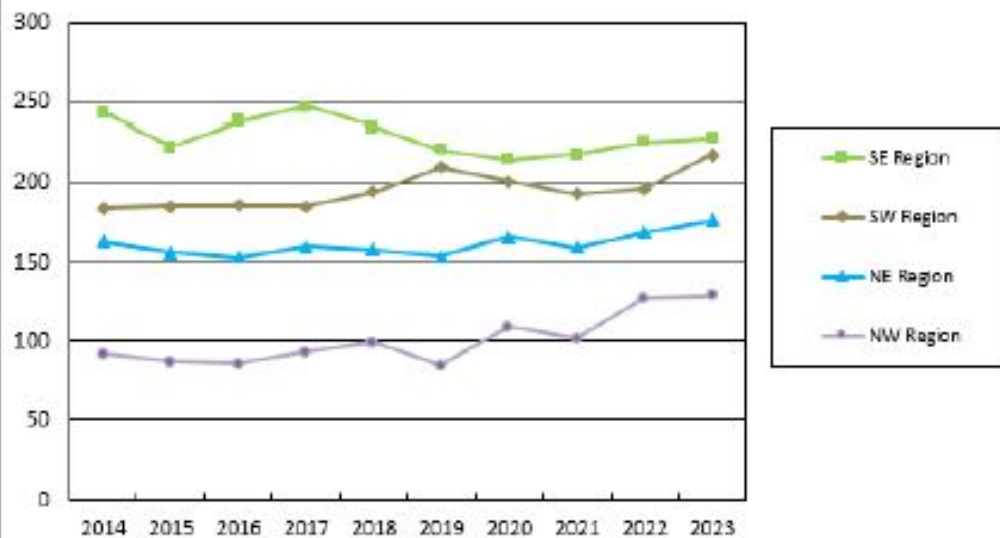


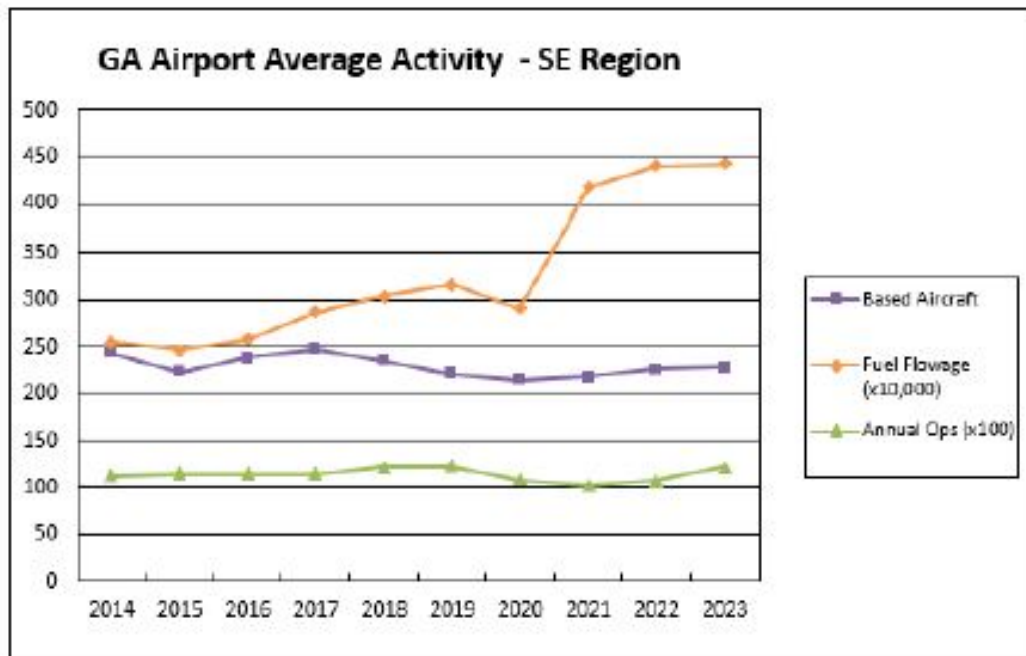
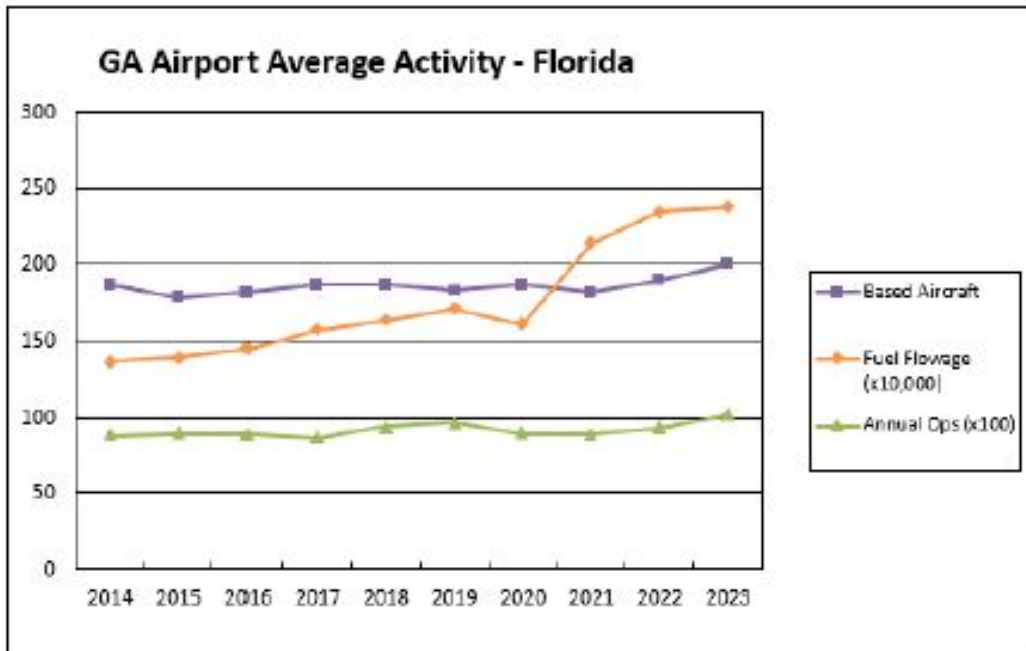
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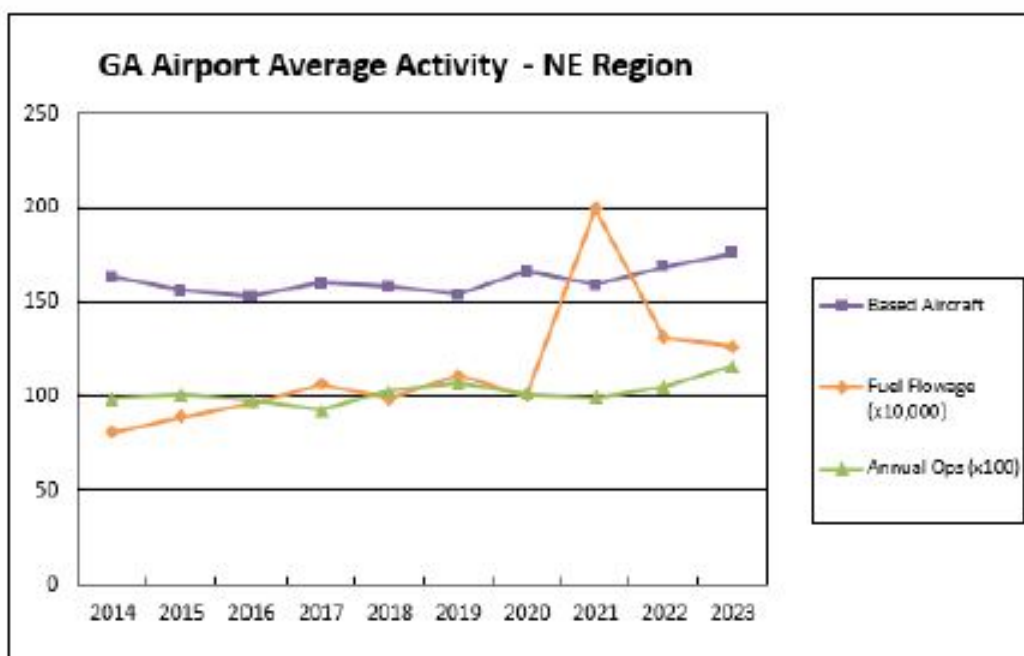
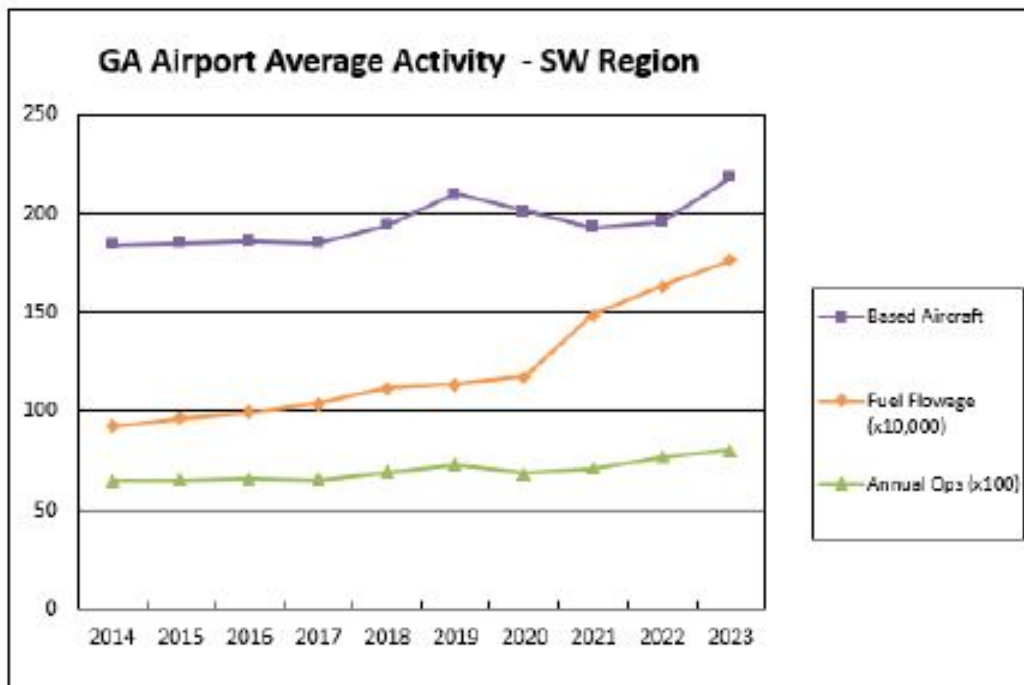
GA Airports Average Based Aircraft Distribution - 2023-24

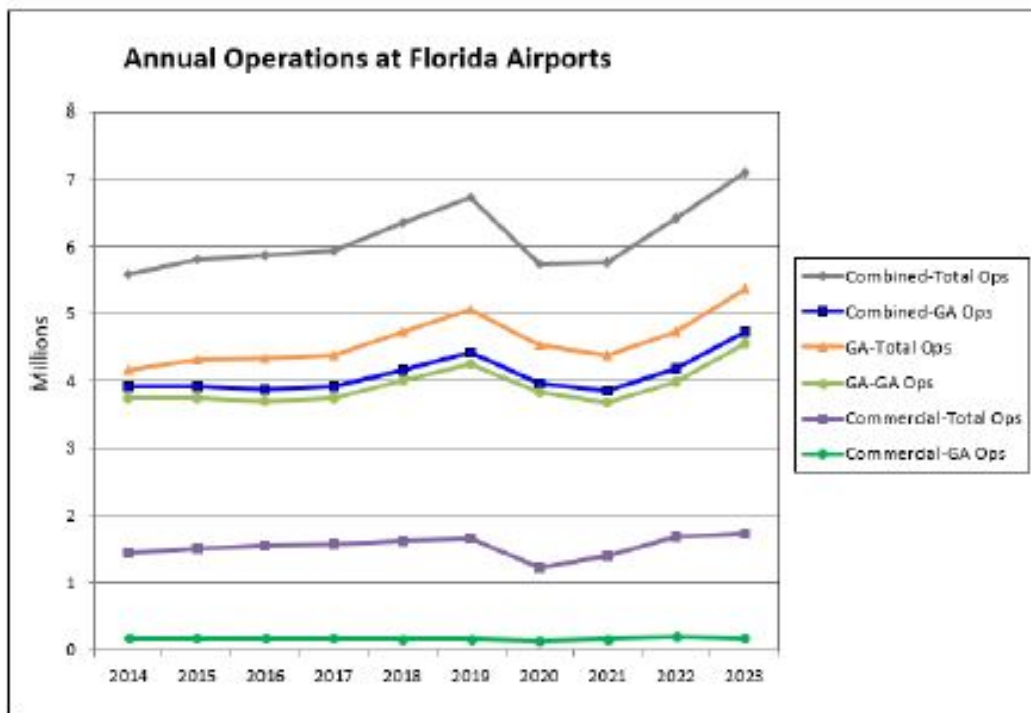
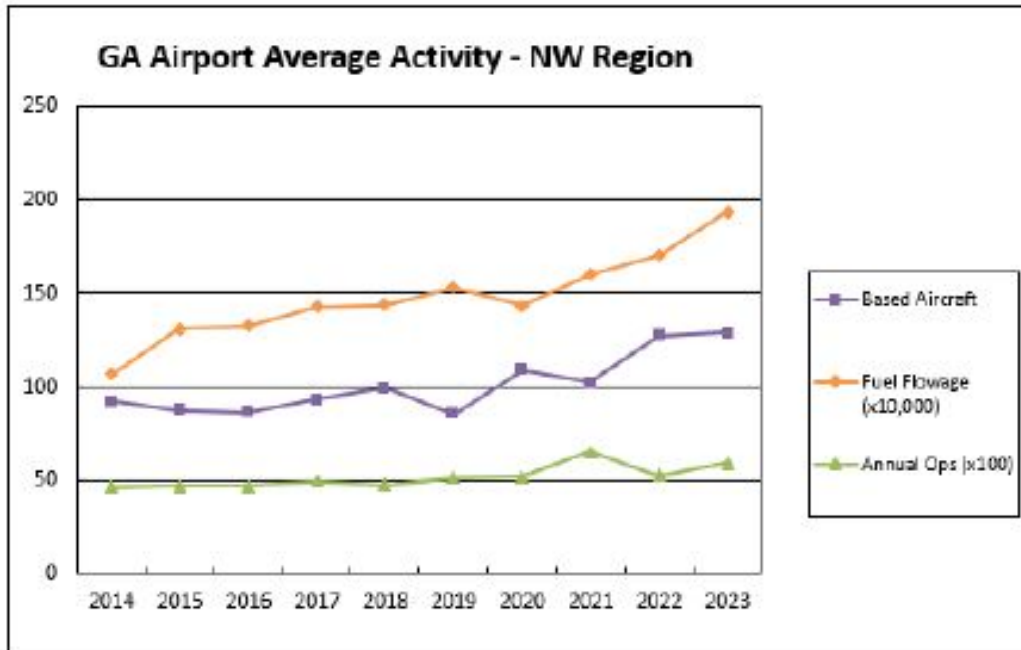


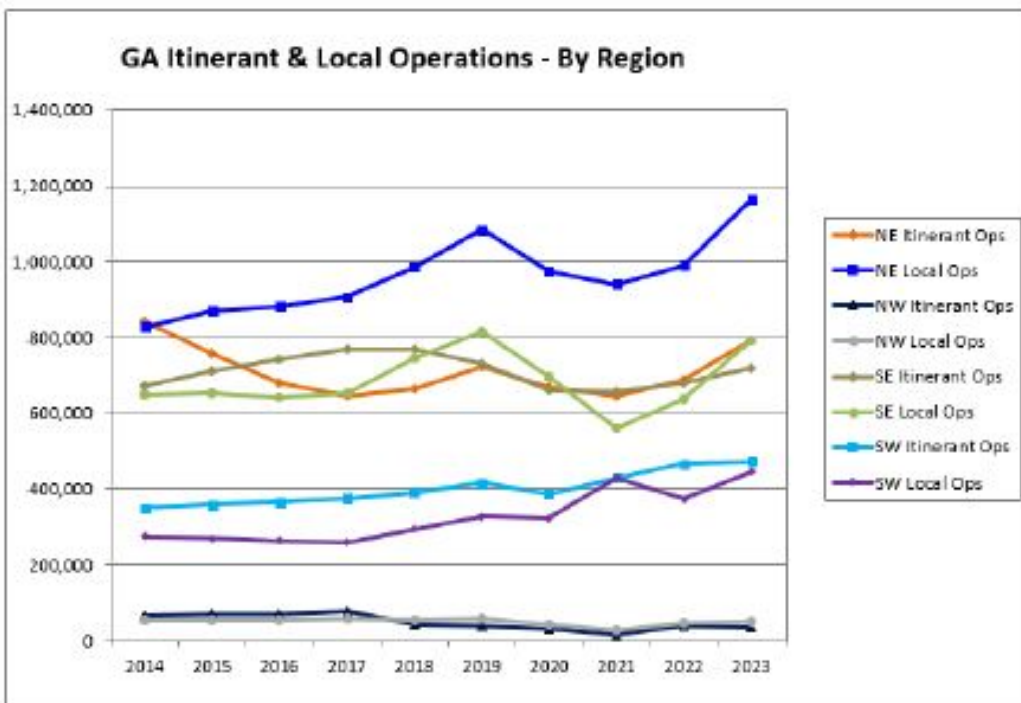
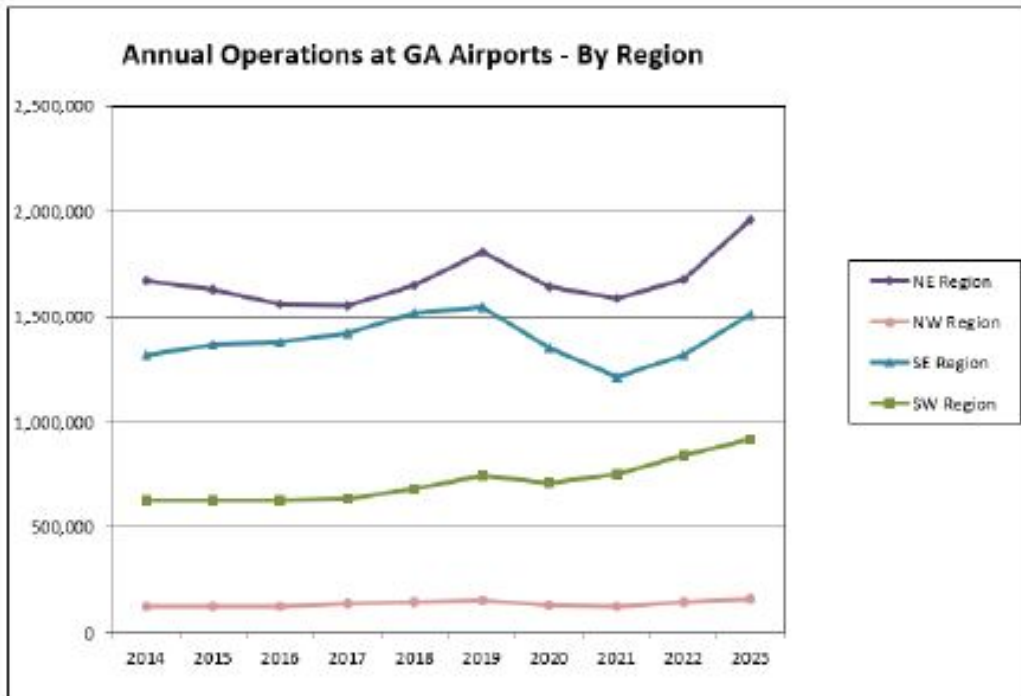
GA Airport Average Based Aircraft-By Region

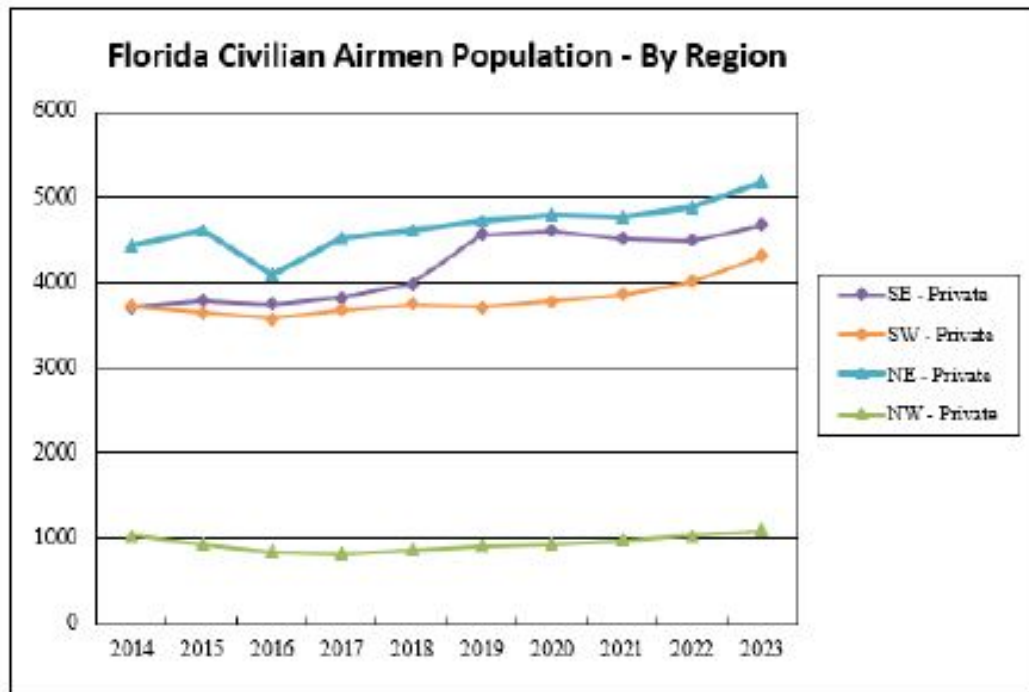
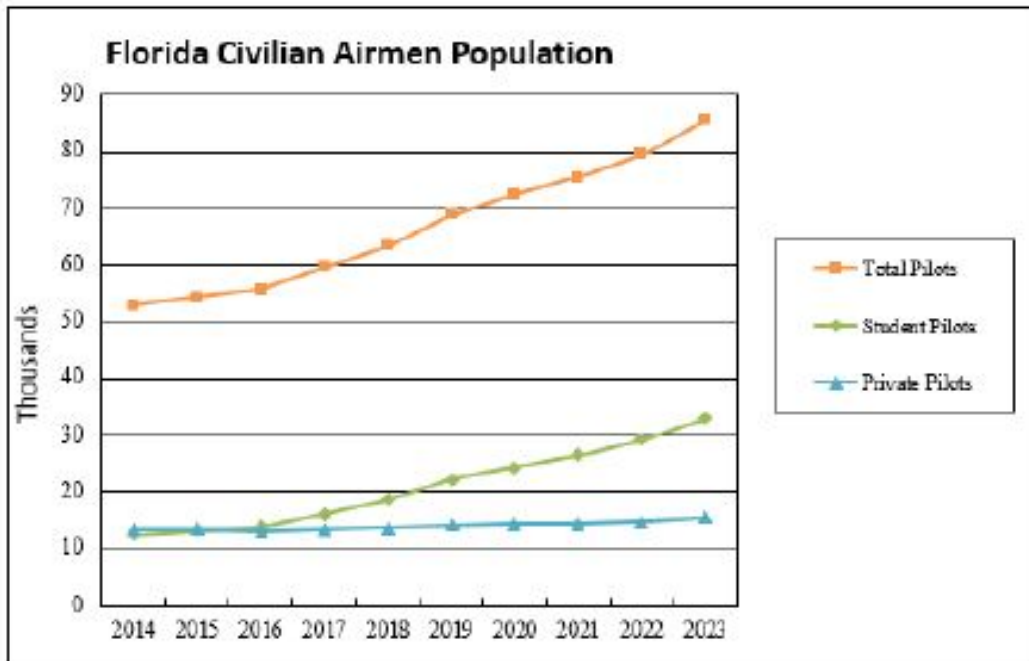


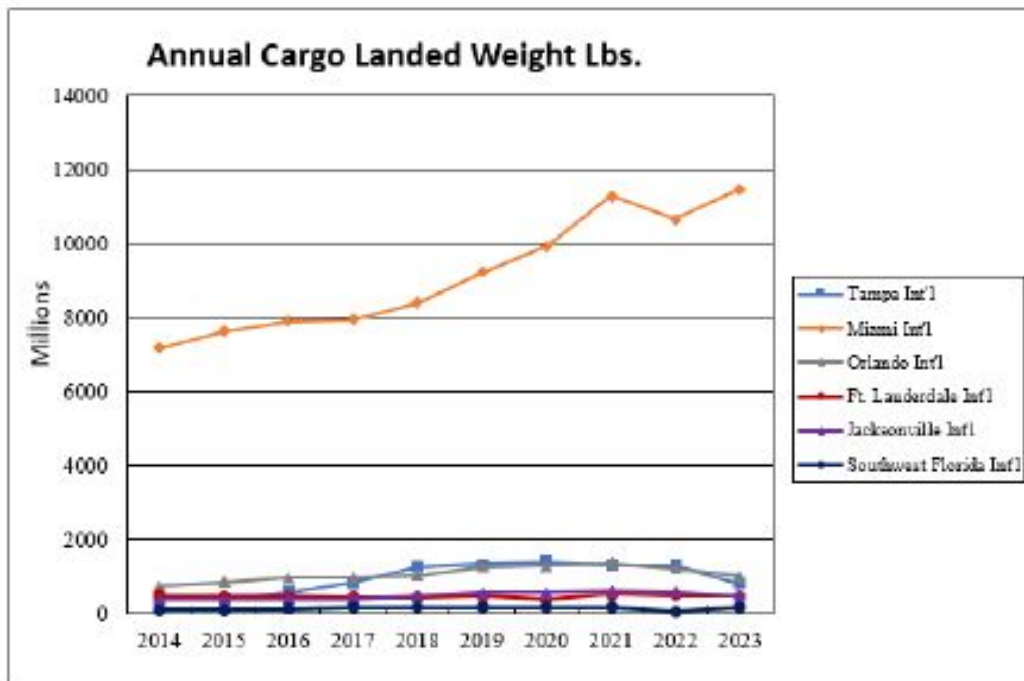
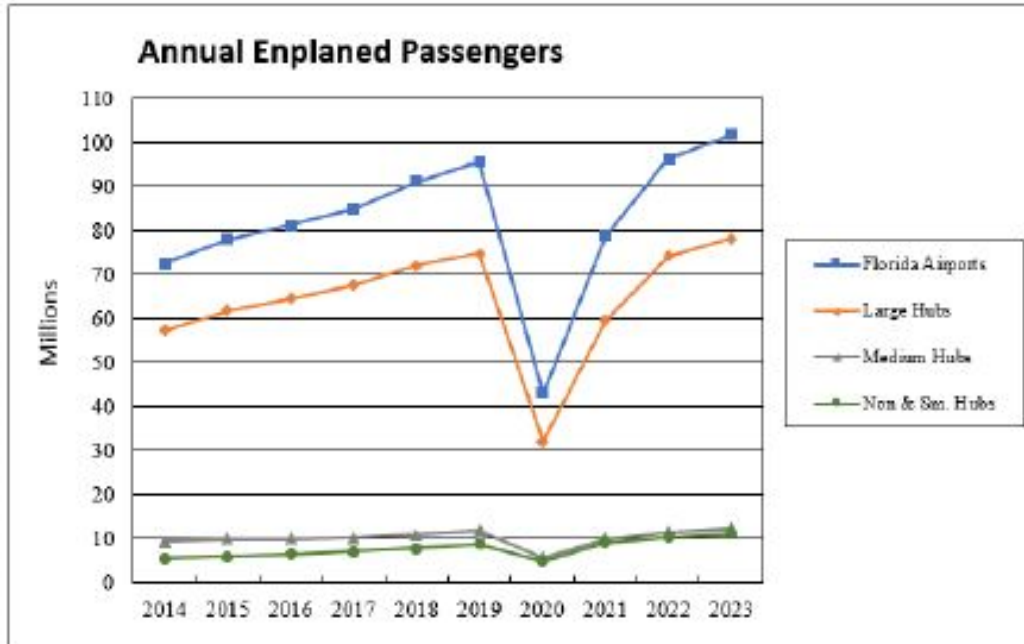












ADDENDUM C – FDOT Airport Summary

SPACE COAST REGIONAL AIRPORT TIX



Airport: Space Coast Regional Airport (TIX)

City: Titusville, Florida

County: Brevard

Sponsor: Titusville Cocoa Airport Authority

Role: General Aviation (Regional)

CFASPP Region: East Central (cfaspp.com)

FDOT District: 5

Website: [Space Coast](https://spacecoastairport.com)



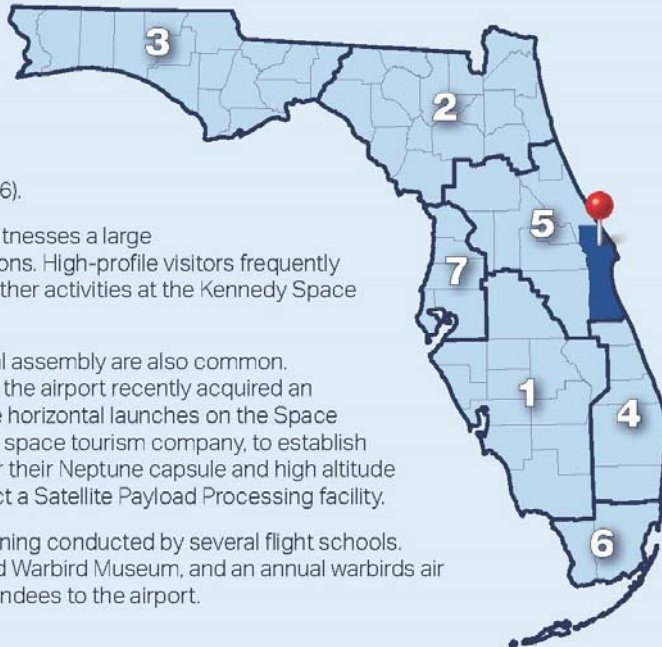
PHOTO SOURCE: GOOGLE - 2022

Space Coast Regional Airport (TIX) is a general aviation (GA) airport located south of Titusville, approximately eight miles west of the Kennedy Space Center. The airport has two intersecting paved runways, the longest of which measures 7,319 feet long by 150 feet wide (Runway 18-36).

As a gateway to the famed Space Coast, TIX witnesses a large number of business/corporate aviation operations. High-profile visitors frequently use the airport to attend space launches and other activities at the Kennedy Space Center and nearby Port Canaveral.

Air cargo operations to deliver satellites for final assembly are also common. Further enhancing its role in the future of flight, the airport recently acquired an FAA spaceport license to accommodate future horizontal launches on the Space Coast. This has attracted Space Perspective, a space tourism company, to establish a manufacturing and assembly facility at TIX for their Neptune capsule and high altitude balloon. 321 Launch also has plans to construct a Satellite Payload Processing facility.

Other aviation activities at TIX include flight training conducted by several flight schools. The airport is home to the Valiant Air Command Warbird Museum, and an annual warbirds air show which attracts approximately 10,000 attendees to the airport.



SPACE COAST REGIONAL AIRPORT

TIX

ECONOMIC IMPACT

 **\$346M**
ECONOMIC IMPACT (OUTPUT)

 **\$189M**
VALUE ADDED

 **\$113M**
PAYROLL

 **2,589**
JOBS

Source: Florida Aviation Economic Impact Study.



GENERAL AVIATION ROLES



FLIGHT
TRAINING



CORPORATE



TOURISM



AERIAL MEDIA



BUSINESS /
RECREATIONAL

Source: FASP 2043 Update.

For more information on airport roles, please refer to the
FAA's National Plan of Integrated Airport Systems (NPIAS).



ACTIVITY FORECASTS

OPERATIONS

123,623

2043

101,859

2023

BASED AIRCRAFT

138

2043

110

2023



Source: FASP 2043 Update.

AIRPORT CHARACTERISTICS

1 FAA-Licensed
Spaceport for
Horizontal Launches

2 Located Near Kennedy
Space Center & Port
Canaveral

3 Home to Valiant Air
Command Warbird
Museum

RUNWAY INFORMATION (2)

Runway 18-36: 7,319' x 150'

Runway 9-27: 5,000' x 100'



Overview of the FASP 2043 Update:

Per Florida statute, the Florida Aviation System Plan (FASP) is periodically updated to summarize the airport and aviation needs in Florida while remaining consistent with the goals of the Florida Transportation Plan (FTP). The FASP 2043 Update focuses on reviewing the applicability of the various goals, objectives, and performance measures to support two primary goals: 1) provide for more efficiency in decision making within FDOT to support funding and development decisions, and 2) provide airports within the system with recommendations for development that support their individual missions while contributing to the overall strength and health of the Florida airport system.



FASP 2043 Update

**ADDENDUM D - Qualifications of the Appraisers
ANDREW H. MAGENHEIMER, MAI**

EDUCATION:

Bachelor's Degree, The University of the South, Sewanee, Tennessee, 1986

EXPERIENCE:

Over thirty years in the field of real estate, involved in various forms of consultation, appraisal, economic research and market analysis.

June, 1997 to Present, Principal, Slack, Johnston & Magenheimer, Inc.

August, 1991 to May, 1997, Senior Appraiser, Slack & Johnston, Inc.

February, 1987 to July, 1991, Staff Appraiser, Dixon & Friedman, Inc.

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, environmentally sensitive land, aviation facilities, industrial facilities, shopping centers, office buildings, apartment buildings, residential developments and single-family residences.

Consulting - Economic research, market analysis, feasibility analysis and ad valorem real estate tax assessment appeals pertaining to industrial, commercial and residential properties.

Litigation Support – Appraisals and consulting, including expert testimony, concerning various property types.

AFFILIATIONS:

Licensed Florida Real Estate Broker

Florida State-Certified General Real Estate Appraiser, Certification No. RZ1073

Appraisal Institute Member, MAI, Certificate Number 10133, Continuing Education Completed

2002 President of the South Florida Chapter of the Appraisal Institute

Member of the Miami Board of Realtors

Member of the Florida Keys Board of Realtors

Corporate Member of Florida Airport Council (FAC)

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

**7245 SW 87 AVENUE, SUITE 300
MIAMI, FLORIDA 33173**

APPRAISAL OF REAL PROPERTY

**T-HANGAR BUILDING 6,
SPACE COAST REGIONAL AIRPORT,
TITUSVILLE, BREVARD COUNTY, FLORIDA**

**APPRAISAL REPORT
SJM FILE: 24333.T6**

PREPARED FOR

**MR. KEVIN DAUGHERTY
EXECUTIVE DIRECTOR
TITUSVILLE-COCOA AIRPORT AUTHORITY
51 BRISTOW WAY
TITUSVILLE, FLORIDA 32780**



ANDREW H. MAGENHEIMER, MAI
CERT. GEN. RZ1073

THEODORE W. SLACK, MAI
(1902-1992)
THEODORE C. SLACK, MAI
(1931-2015)
SUE BARRETT SLACK, MAI
(RETIRED)

December 24, 2024

Mr. Kevin Daugherty
Executive Director
Titusville-Cocoa Airport Authority
51 Bristow Way
Titusville, Florida 32780

RE: Appraisal Report – Leasehold Interest in T-Hangar Building 6, Space Coast Regional Airport (TIX), Titusville, Brevard County, Florida
SJM File: 24333.T6

Dear Mr. Daugherty:

At your request, we have prepared an appraisal of the above referenced property as of December 1, 2024, the date of valuation. The subject property represents a t-hangar building at the Space Coast Regional Airport (TIX). TIX is a general aviation airport owned and operated by the Titusville-Cocoa Airport Authority (TCAA). The subject property is considered by TCAA to be aeronautical property due to its land use designation, and its location adjacent to the Airport Operating Area (AOA) of TIX.

T-hangar 6 is a pre-engineered metal building that contains 14 standard t-hangar units. T-hangar 6 was constructed in 2003 and is on 1.09-acre parcel of leased aeronautical land. The facility is considered to be in good condition based on its age and level of maintenance provided. As of the date of valuation, both buildings were reportedly subleased to various users. Site improvements include paved areas in front of each t-hangar unit and nominal landscaping.

The T-hangar 6 site was leased by the TCAA to Sheltair Space Coast, LLC in November 2001 for an initial term of 30 years that commenced based on beneficial occupancy of buildings. Based on information provided, the lease term commenced on April 1, 2003 and the lease includes one, 10-year renewal option (40-year total term) and provides for the tenant to pay land rent for the duration of the lease, with the ownership of the subject improvements scheduled to revert to TCAA upon completion of the lease. As of the date of valuation the leasehold interest in T-hangar 6 had 18.33 years remaining, including the renewal option. The purpose of this appraisal concerning T-hangar 6 is to estimate the present value of the remaining leasehold interest (18.33 years) in the subject property through the end of the existing lease term (March 31, 2043), including the renewal option.

Mr. Kevin Daugherty
December 24, 2024

The scope of this analysis is limited to the valuation of the remaining leasehold interest in the subject building improvements (T-hangar 6) as of a current date of valuation. It is our understanding that the intended use of the appraisal is to assist the TCAA in negotiating the potential purchase of the remaining leasehold interest in the subject property from a willing seller and the intended user of this report is the TCAA.

The appraisal report states our opinion of market value, subject to various assumptions and limiting conditions contained in this appraisal report. The site visit and analyses that form the basis of our valuation have been performed by the undersigned. The appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Supporting documentation concerning the data, reasoning and analysis are retained in the appraiser's file.

Respectfully submitted,

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

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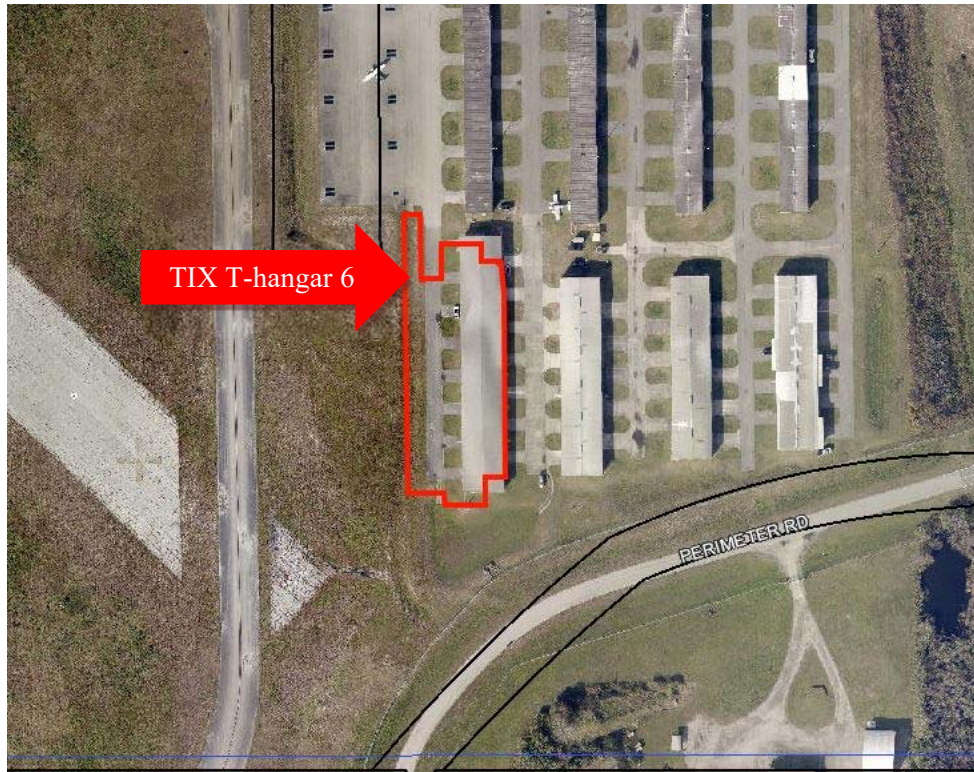
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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Appraised:	T-hangar Building 6, Space Coast Regional Airport (TIX), Titusville, Brevard County, Florida
Brevard County Parcel:	23-35-02-00-751
Market Value Assessment	\$521,070 (2024)
Real Estate Taxes:	Exempt
Fee Simple Ownership:	Titusville-Cocoa Airport Authority (TCAA) 51 Bristow Way, Titusville, Florida
Leasehold Ownership:	Sheltair Space Coast, LLC 319 N. Cypress Lake Drive, Orlando, Florida, 32803
Interest Appraised:	Market value of the remaining leasehold interest (18.33 years) in the facility (through March 31, 2043), including renewal option
Land Use:	Public/Semi-Public; Titusville
Zoning:	Public Use; Titusville
Property Description:	T-hangar Building 6 (14 t-hangar units) in good condition on a 1.09-acre leased parcel of aeronautical land adjacent to the TIX AOA.
Current Use:	General Aviation T-hangar Building
Highest and Best Use:	Continued Use
Date of Valuation:	December 1, 2024
Date of Site Visit:	November 25, 2024
Date of Report:	December 24, 2024
Value Conclusion - Leasehold Interest Value	\$650,000 (1)

Note 1: Market value of the remaining leasehold interest (18.33 years) in T-hangar 6

AERIAL PHOTOGRAPH OF THE SUBJECT LEASEHOLD



Approximate boundaries, not to scale, for illustrative purposes only.

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.
- we have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
- The undersigned have made a visit to the property that is the subject of this report.
- no one provided real property appraisal assistance to the persons signing this certification.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- we have performed services regarding the subject property within the prior three years.
- as of the date of this report, Andrew H. Magenheimer has completed the continuing education program for Designated Members of the Appraisal Institute.

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No legal opinion related to a title search was provided and all existing liens and encumbrances, including deed restrictions and developer agreements, have not been investigated unless otherwise stated. The property is appraised as though free and clear.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others has been gathered from sources deemed to be reliable, however, no warranty is given for its accuracy.
5. All engineering and surveying is assumed to be correct. Any sketches, plats, or drawings included in this report are included to assist the reader in visualizing the property. We have made no survey of the property, and assume no responsibility in connection with such matters.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for unusual soil conditions and no opinion as to these matters is to be inferred or construed from the attached report other than those specifically stated in the report. Unless stated otherwise, the soil conditions of the subject property are assumed to be adequate to support development utilizing conventional construction techniques. We recommend the client obtain an opinion from a competent engineering firm.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

11. Any proposed or partially completed improvements included in this report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.
 12. Our estimates of future values were formulated based upon market conditions as of the date of appraisal, considerate of future projections concerning supply and demand. The appraiser has no responsibility for significant events that alter market conditions subsequent to the effective date or dates of appraisal.
 13. This study is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal. Publication of this report or any portion thereof without the written consent of the appraiser is not permitted.
 14. The appraiser, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
 15. Neither all, nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. The use of this report in any public offering or syndication document is specifically prohibited.
 16. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. It is recommended that the client retain an expert in this field, if needed.
 17. Disclosure of the contents of this report by the appraiser is controlled by the Appraisal Institute of which one or more signatures of this report is an MAI member and by the Florida Department of Professional Regulation, Division of Appraisal State Certification. The analysis and value conclusions, as well as non-public information about the subject property, are confidential matters and cannot be divulged to any persons other than the party for whom the report is prepared.
- Exceptions to this confidentiality provision are requests by committees of the Appraisal Institute or the Florida Department of Professional Regulations for peer review, and subpoenas by any court having jurisdiction to request production of the report.

18. Section 404.056(8) of the Florida Statutes requires that prior to or at the time a rental agreement or contract for any building is executed, the following disclosure statement must be issued:

"RADON GAS: is a naturally occurring gas that, when it has accumulated in a building in sufficient quantities, may present risk to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in building in Florida. Additional information regarding radon and radon testing may be obtained from your public health unit."

Appraisal Assumptions

19. The date of valuation is December 1, 2024 that coincides with the monthly anniversary of the lease. The property was visited on November 25, 2024. We have assumed the property remains in the same condition as of the date of valuation as of the date of the property visit.

20. This appraisal assumed the subject property is free and clear of any environmental contamination associated with past and present airport use. The analysis of environmental contamination is beyond our expertise and Phase I and II environmental audits are recommended for the property. The existence of environmental contamination could have a significant affect on the value conclusions within this report.

Acceptance or use of this report constitutes acceptance of the preceding conditions.

OWNERSHIP, LEGAL DESCRIPTION AND HISTORY OF THE PROPERTY

Ownership and History

Space Coast Regional Airport (TIX) is owned and operated by the Titusville-Cocoa Airport Authority (TCAA), 51 Bristow Way, Titusville, Florida. It is our understanding all of the land, as well as most of the pavement and building improvements at the airport are owned by TCAA, with the exception of the subject property that was developed by Sheltair Space Coast, LLC beginning in 2001 under a long-term development lease. It should be clearly understood that the identification of the ownership and title analysis was not performed and is beyond the scope of this assignment. The following is a brief summary of the property history.

As noted, the T-hangar 6 site was leased by the TCAA to Sheltair Space Coast, LLC in November 2001 for an initial term of 30 years that commenced based on beneficial occupancy of buildings. Based on information provided, the lease term commenced on April 1, 2003 and the lease includes one, 10-year renewal option (40-year total term) and provides for the tenant to pay land rent for the duration of the lease, with the ownership of the subject improvements scheduled to revert to TCAA upon completion of the lease. As of the date of valuation the leasehold interest in T-hangar 6 had 18.33 years remaining, including the renewal option. The purpose of this appraisal concerning T-hangar 6 is to estimate the present value of the remaining leasehold interest (18.33 years) in the subject property through the end of the existing lease term (March 31, 2043), including the renewal option.

As noted, T-hangar 6 includes a total of 14 standard T-hangar units and construction was completed in 2003 by Sheltair. Sheltair subleases the units the various tenants and provided a rent roll of the units that indicates they typically charge monthly rent, plus a common area maintenance (CAM) fee on most units that average about \$85 per month. Typical units contain about 1,018 square feet and monthly rent ranges from \$500 to \$615, with most units at \$550 per month. The nested design of the T-hangar building provides for the end units to have 'bonus' storage areas and the units contain from 1,100 to 1,372 square feet (Units 6A, 6G & 6H) and the monthly rent ranges from \$552 to \$685 depending on size. In addition, T-hangar 6 has an air-conditioned office area (Unit 6-O) that contains 827 square feet and rents for \$445 per month. The variation in rental rates was based on several factors including the age of the tenancy, as well as multiple units included in single agreements and was considered in our analysis.

Legal Description

The following legal description is from a survey provided by the tenant.

"T-HANGER PARCEL": A part of the Southeast 1/4 of Section 2, Township 23 South, Range 35 East, Brevard County, Florida, described as follows: Commencing at the Southeast corner of said Section 2, and run thence N 00° 10' 18"E, along the East line thereof, a distance of 258.55 feet to a point, thence run N 89° 49' 42"W, a distance of 2033.08 feet to a point being on the Southerly prolongation of the physical centerline of a concrete Taxilane located at Space Coast Regional Airport, located in said Brevard County, Florida, thence run N 00° 41' 01"W, along said Southerly prolongation of the aforesaid centerline of the previously mentioned concrete Taxilane a distance of 56.20 feet, thence S 89° 18' 59"W, a distance of 12.31 feet to the Point of Beginning of lands herein described, thence S 89° 18' 59"W, 128.84 feet, thence N 00° 41' 01"W, 369.42 feet, thence N 89° 18' 59"E, 123.11 feet to a point, said point lying on the Westerly edge of the previously mentioned concrete Taxilane, thence run along the aforesaid Westerly edge of said concrete Taxilane the following two courses and distances, S 05° 30' 29"E, 68.12 feet, thence S 00° 41' 01"E, 301.54 feet to the Point of Beginning.

AIRPORT HISTORY

Space Coast Regional Airport (TIX) is owned and operated by the Titusville-Cocoa Airport Authority (TCAA). TCAA is a quasi-governmental body that oversees the operation of the three airports within Brevard County, Florida including Arthur Dunn (X21) and Space Coast Regional (TIX) in Titusville and Merritt Island (COI) located in unincorporated Brevard County. TCAA was formed by the cities of Titusville and Cocoa in 1963 to "service the local, commercial and corporate aviation needs as well as stimulate economic growth in the community". TCAA is comprised of a seven-member appointed board. TCAA oversees operation of the airports and may levy ad valorem taxes on all properties within the district. The following is a brief summary of the airport history of TIX.

Space Coast Regional Airport (TIX) was originally developed as the Titusville-Cocoa Auxiliary Field by the U.S. Navy in 1939 as a supplemental airfield to the Sanford Naval Air Station. In 1947, the Navy transferred the airport to the cities of Titusville and Cocoa. The cities jointly operated the airport and formed an authority in 1959. In the late 1960's, the airport was transferred to TCAA. Space Coast Regional has continued to operate as the primary reliever airport for northern Brevard County. For a time, the airport was used for limited commercial passenger aircraft service that has since been stopped. Currently, the airport is the base of operation to several fixed base operators and multiple individual aircraft owners. The airport caters to corporate traffic, flight schools and local pilot traffic. TIX is also a licensed launch site operator by the FAA to conduct horizontal launch operations.

PURPOSE, INTENDED USE/USER AND DATE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the remaining leasehold interest (18.33 years) in the subject property through the end of the existing lease term (March 31, 2043), including the renewal option. It is our understanding that the intended use of the appraisal is to assist the client (TCAA) in negotiating the potential purchase of the subject property from a willing seller (Sheltair) and the intended user of this report is

the TCAA. Additional intended users include TCAA's advisors, the Florida Department of Transportation (FDOT) and the Federal Aviation Administration (FAA). There are no other intended uses or intended users of this report. The date of valuation is December 1, 2024, and the date of the report is December 24, 2024. It should be noted that the date of valuation coincides with the monthly anniversary of the lease. The property was visited on November 25, 2024. We have assumed the property remains in the same condition as of the date of valuation as of the date of the property visit.

SCOPE OF THE APPRAISAL

The scope of this appraisal is based on the purpose of the appraisal that is limited to an estimate the market value of the remaining leasehold interest (18.33 years) in the subject property through the end of the existing lease term (March 31, 2043), including the renewal option. As noted, the subject building improvements are located on leased aeronautical land. It was noted the scope of the appraisal is limited to the market value of the subject property as described herein and excludes the underlying land.

The scope of this appraisal report includes an analysis of the subject property and its surrounding environment in order to estimate its highest and best use and market value of the subject property as outlined herein. We have made a recent visit to the property and reviewed factual data concerning its condition. The data reviewed included available building plans, lease information and other items provided by Sheltair and the TCAA including the airport master plan.

The scope of our analysis is limited to estimates of market value of the subject property, excluding the underlying land. This appraisal included an estimation of the highest and best use of the property. This analysis included a visit to the property, gathering information concerning potential uses of the property, as well as a review of market conditions for the property. The subject property is considered by TCAA to be aeronautical property due to its land use designation, as well as its location adjacent to the TIX Airport Operating Area (AOA). As will be discussed, the highest and best use of the property is for its continued aeronautical use.

After concluding the highest and best use, the valuation methods are considered. The appraisal process includes three basic approaches to value, including the income, sales comparison and cost approaches. The application of these approaches is determined by the type of property being appraised, as well as the scope of the valuation assignment. Based on our analysis, the income approach to value was considered most relevant to this assignment. Based on our research, sales of leasehold interests in aeronautical buildings are scarce and typically include non-realty items that make it difficult to separate the real estate interest from the machinery, equipment and going concern, etc. interests. We could

not find sales of leaseholds of similar aeronautical buildings and, as such, we did not utilize the sales comparison approach in the valuation of the subject property.

We have used the income approach to estimate the present value of the right to receive income (i.e., net operating income) from the subject property for the remainder of the lease term (18.33 years). The subject improvements are currently rented to various tenants. In this analysis, we have relied on the current rents for the subject building improvements. In this analysis, income and expenses attributable to the subject property were estimated to derive an indication of net operating income over the remaining term of the lease that was then discounted to a single present value.

The final step in the appraisal process is the reconciliation of the appraisal methods used. The quantity and quality of the data used and the reliability of their value indications are the basis for the value conclusions.

DEFINITION OF VALUE AND INTEREST APPRAISED

The Uniform Standards of Professional Appraisal Practice (2024 Edition) defines **Market Value** as “a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.”

We have relied on the definition of **Market Value** as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Federal Register 77472, Volume 75, No. 237, December 10, 2010).

Other pertinent definitions from the Dictionary of Real Estate Appraisal, Seventh Edition,

are as follows:

Fee Simple Estate is the “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Leased Fee Interest is “the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.”

Leasehold Interest is the “interest held by a lessee (tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions.”

Market Rent is “the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).”

Present Value is the “value of a future payment or series of future payments discounted to the current date or to time period zero.”

Exposure Time is “the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.”

Marketing Time is “an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisals.”

EXPOSURE AND MARKETING TIME

Exposure and marketing times are the typical periods of time necessary to expose and actively market the subject property on the open market to achieve a sale at a price consistent with the market value estimate and on terms consistent with the definition of market value recited herein. The length of time is a function of several factors including price, terms, investment quality and exposure to a given market. Exposure time is the hypothetical period immediately preceding the effective date of the appraisal and marketing time is the period immediately after the effective date of the appraisal.

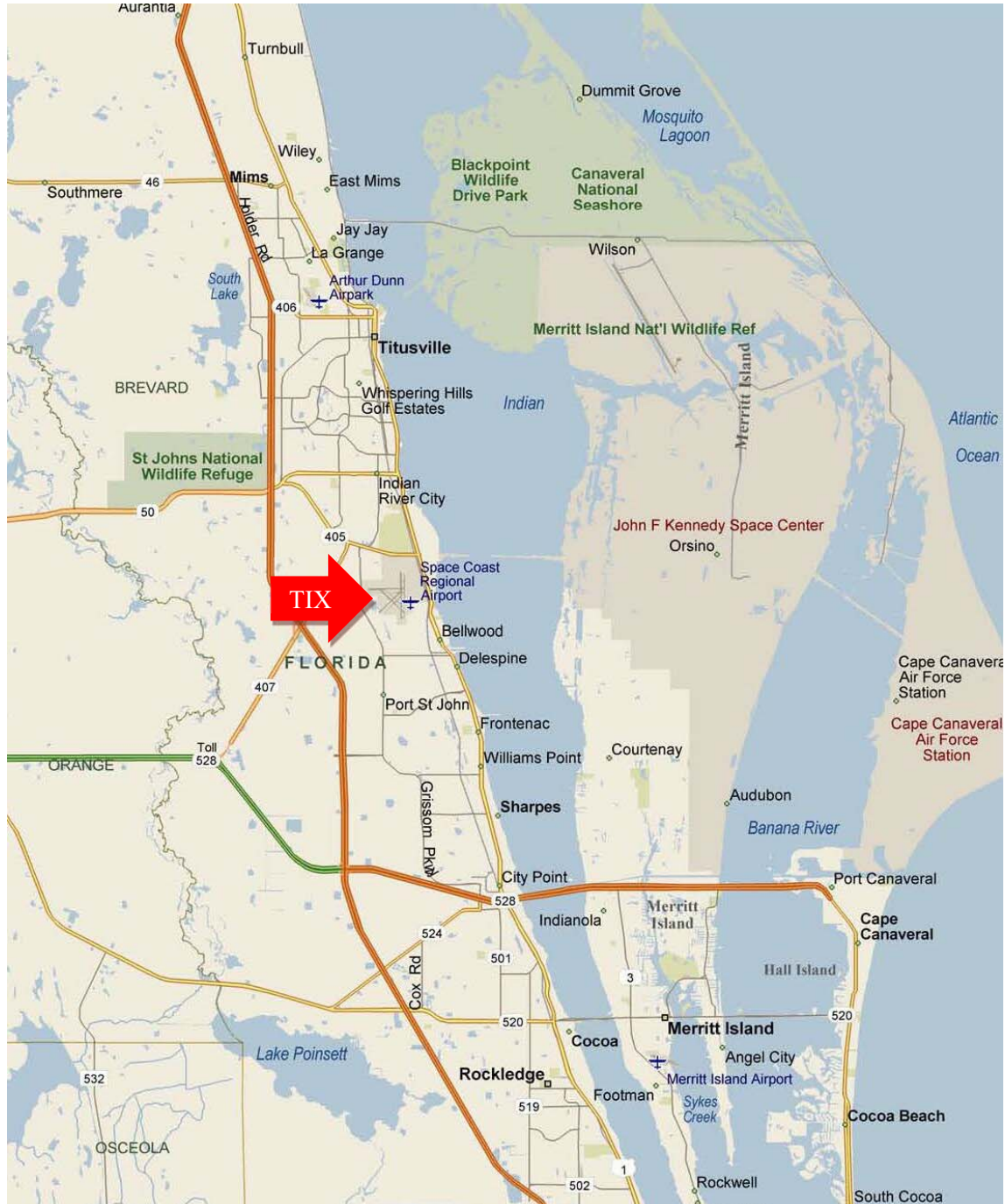
A review of current market activity for aeronautical properties in Florida was performed in order to estimate an exposure time for the subject property. Based on our research, the

demand for aeronautical properties indicates an exposure/marketing times are typically less than one year, if the property is priced realistically.

Based on our research, we have estimated a typical exposure period for the subject property was estimated to be up to 12 months. We have further estimated a marketing time of up to 12 months.

AREA DISCUSSION

Space Coast Regional Airport (TIX) is located in Titusville in northern Brevard County, Florida. The recipients of this report are familiar with the Titusville and Brevard County areas and this area discussion is, therefore, limited.



AIRPORT OVERVIEW

The aviation industry in central Florida is characterized by numerous general aviation airports with regional commercial airports located in the vicinity of area population concentrations. The regional commercial airports in the area include Orlando International, Tampa International, Southwest Florida Regional, Sarasota-Bradenton, Orlando-Sanford, St. Petersburg-Clearwater, Daytona Beach and Melbourne Regional Airports. According to a review of the FAA's "Airport Activity Statistics of Certified Route Air Carriers" the airport hub classifications, the local regional commercial airports are as follows:

<u>Airport</u>	<u>CY 2023 Enplanements</u>	<u>Hub Size</u>
Orlando Int'l	24,803,177	Large
Tampa Int'l	11,677,560	Large
Southwest Florida Int'l	4,963,261	Medium
Sarasota-Bradenton Int'l	2,144,700	Small
Orlando Sanford Int'l	1,446,878	Small
St. Petersburg-Clearwater Int'l	1,246,317	Small
Punta Gorda	949,732	Small
Melbourne Int'l	363,837	Non
Daytona Beach Int'l	348,837	Non

A review of the "Florida Aviation System Plan 2035" (FASP) prepared by the Florida Department of Transportation (FDOT) and Federal Aviation Administration (FAA), indicates TIX is designated as a community airport. The FASP identifies 131 public airports in Florida. The FASP classifies airports within Florida into two general categories: Commercial Service and General Aviation. Within Florida, the FASP identifies 19 commercial airports and 112 community (general aviation) airports. The FASP divides the state into nine regions and identifies the airports within each region according to the use classification. TIX is classified as a "general aviation" airport within the East Central Florida Metropolitan region, which includes Brevard, Flagler, Lake, Orange, Osceola, Seminole and Volusia Counties. The FASP identifies the public use airports in the East Central Florida region as follows:

Commercial Airports

Daytona Beach Int'l
Melbourne Int'l
Orlando Int'l
Orlando-Sanford Int'l

Community Airports

Arthur Dunn Airpark
Deland Munic.
Flagler Exec.
Kissimmee Gateway
Leesburg Int'l
Merritt Island
New Smyrna Bch. Munic.

Community Airports

Orlando Exec.
Ormond Beach Exec.
Pierson Munic.
Space Coast Reg'l
Tavares Seaplane Base
Umatilla Munic.
Valkaria



The FASP is useful in establishing the universe of airports within the state and segregating the airports based on use characteristics. The FASP helps identify the airports which are similar in terms of geographic location and use. In our analysis, we researched rental rates for aeronautical properties at airports within Florida, concentrating on airports in the central eastern section of Florida. Please refer to the valuation section which follows.

Florida Aviation System Plan 2025

1. Apalachicola Municipal
2. St. George Island
3. Quincy Municipal
4. Pensacola Regional
5. Costlin
6. Eglin AFB (Okaloosa)
7. Bob Sikes
8. Calhoun County
9. Tallahassee Regional
10. Tri-County
11. Tallahassee Commercial
12. Marianna Municipal
13. Peter Prince Field
14. Carrabelle-Thompson
15. DeFuniak Springs
16. Ft Walton Beach
17. Coastal
18. Panama City-Bay County International
19. Wakulla County
20. Ferguson
21. Destin-Ft Walton Beach
22. Williston Municipal
23. Crystal River
24. Cross City
25. Ames Field
26. Flying Ten
27. Perry-Foley
28. George T. Lewis
29. Dunnellon/Marion County
30. Inverness
31. Gainesville Regional
32. Lake City Municipal
33. Suwannee County
34. Ocala International - Jim Taylor Field
35. Rudy's
36. Palatka Municipal Lt. Kay Larkin
37. Keystone Airpark
38. Hilliard Airpark
39. Craig Municipal
40. Fernandina Beach Municipal
41. St. Augustine
42. Jacksonville International
43. Hertong
44. Cecil Field
45. Mid Florida Air Service
46. Bob Lee Flight Strip
47. DeLand Municipal- Sidney H Taylor Field
48. Flagler County
49. Daytona Beach International
50. Miami Heliport
51. Massey Ranch Airpark
52. Orlando Sanford International
53. Bob White Field
54. Orlando/Apopka County
55. Pierson Municipal
56. Ormond Beach Municipal
57. Leesburg Regional
58. Executive
59. Kissimmee Gateway
60. Valkearia
61. Orlando International
62. Melbourne International
63. Merritt Island
64. New Smyrna Beach Municipal
65. Arthur Dunn Airpark
66. Space Coast Regional
67. Umatilla Municipal
68. Zephyrhills Municipal
69. Peter O Knight
70. Tampa North Aero Park
71. Tampa International
72. Clearwater Airpark
73. Albert Whitted
74. St. Petersburg-Clearwater International
75. Pilot Country
76. Plant City Municipal
77. Vandenberg
78. Hernando County
79. South Lakeland
80. Jack Brown's SPB
81. Avon Park Executive
82. Wauchula Municipal
83. Chalet Suzanne Air Strip
84. Bartow Municipal
85. Winter Haven's Gilbert
86. Arcadia Municipal
87. River Ranch Resort
88. Lake Wales Municipal
89. Sebring Regional
90. Lakeland Linder Regional
91. Buchan
92. Marco Island
93. Page Field
94. Immokalee Regional Airport
95. La Belle Municipal
96. Naples Municipal
97. Airglades
98. Charlotte County
99. Shell Creek Airpark
100. Southwest Florida International
101. Alirport Manatee
102. Everglades Airpark
103. Venice Municipal
104. Sarasota/Bradenton International
105. Okeechobee County
106. Sebastian Municipal
107. St. Lucie County International
108. Witham Field
109. New Hibiscus Airpark
110. Vero Beach Municipal
111. Indiantown
112. Palm Beach County Glades
113. Fort Lauderdale Executive
114. Downtown Ft Lauderdale
115. Dade-Collier Training and Transition
116. Boca Raton
117. Fort Lauderdale-Hollywood International
118. Opa-locka
119. Miami International
120. Opa-locka West
121. Key West International
122. North Perry
123. Pompano Beach Airpark
124. Kendall-Tamiami Executive
125. North Palm Beach Co. General Aviation
126. Palm Beach International
127. Palm Beach County Park
128. Miami SPB
129. Homestead General Aviation
130. The Florida Keys Marathon
131. Belle Glade State Municipal

GA

TIX

Space Coast Regional Airport (TIX)

Space Coast Regional Airport (TIX) is located in central Brevard County and is operated by the TCAA. TIX is a general aviation airport with a tower and no scheduled airline transportation. The airport property contains approximately 1,650 acres and includes both aviation and non-aviation activities. In 2020, TIX was issued a launch site operator license by the FAA to conduct horizontal launch operations.

The aviation areas are referred to as the Airport Operating Area (AOA) and include general aviation terminal, general aviation hangar buildings, t-hangars, fuel farm, runways, ramp and supporting areas. TIX has a zoning classification of P (Public Use) and a land use designation of "Public/Semi Public 0.2 FAR". Please refer to the airport site plan. TIX has two runways in a 09-27 and 18-36 configuration. The following is a summary of the TIX airport facilities:

Location

Street Reference: In the vicinity of Golden Knights Boulevard, west of U.S. Highway 1, Titusville, Brevard County, Florida

Coordinates: N 28°30.89'
W 81°47.95'

Elevation: 34 feet

Airport Facilities

Hours of Operation: 1200-0200Z

Control Tower: Yes

U.S. Customs: No

Fire/Rescue Station: Yes

FAA Part 139 Certificated: Yes

Runways: 09-27 5,000' x 100' Asphalt
18-36 7,319' x 150' Grooved Asphalt

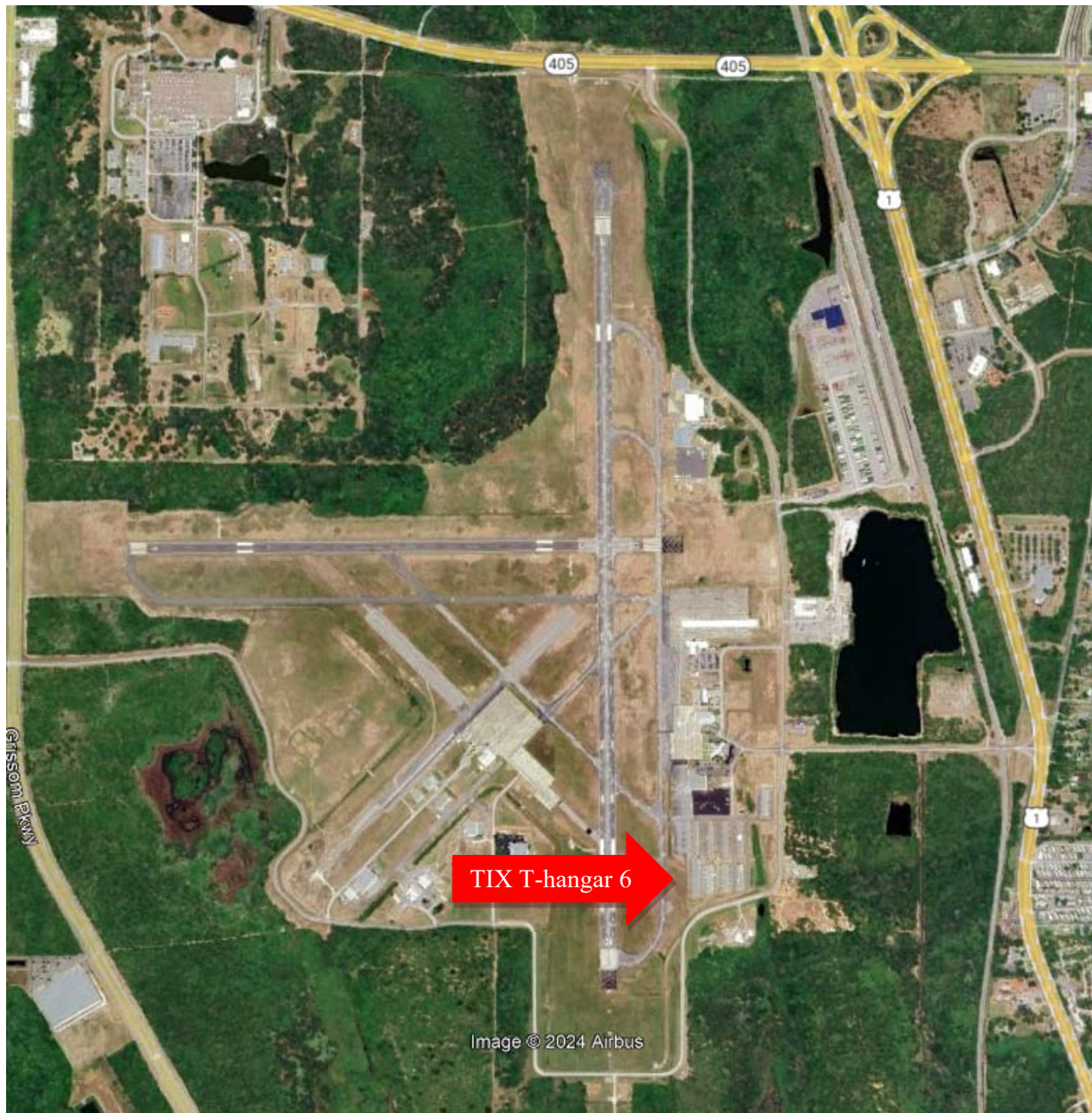
Approaches: ILS, GPS, Vortac

Lighting: Beacon
Runway 09-27 - MIRL, REIL, PAPI
Runway 18-36 - HIRL, REIL, PAPI
Runway 36 - MALSR, REIL, PAPI

ILS-	Instrument Landing System
NDB-	Non-Directional Beacon
MIRL-	Medium Intensity Runway Lighting
HIRL-	High Intensity Runway Lighting
PAPI-	Precision Approach Path Indicator
MALSR-	Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights
VASI-	Visual Approach Slope Indicator
REIL-	Runway End Identifier Lights

- S- Single Wheel Landing Gear Runway Bearing Capacity (,000 lbs.)
- D- Dual Wheel Landing Gear Runway Bearing Capacity (,000 lbs.)
- T- Twin Wheel Landing Gear Runway Bearing Capacity (,000 lbs.)
- DT- Dual-Tandem Landing Gear Runway Bearing Capacity (,000 lbs.)

Space Coast Regional Airport (TIX)



TIX serves as a general aviation and corporate airport within the Titusville-Cocoa area of Brevard County. The following is a summary of the activity information for TIX. According to the FAA's "Airport Operations at Airports with FAA-Operated Control Towers" regarding the activity in Florida and at TIX, the total and general aviation operations are as follows:

TIX & Florida Airport Operations								
Year	Total Operations				GA Operations			
	TIX	% change	Florida	% change	TIX	% change	Florida	% change
2019	84,849		6,776,734		84,230		4,465,894	
2020	87,035	2.6%	5,809,924	-14.3%	86,749	3.0%	4,024,719	-9.9%
2021	83,617	-3.9%	5,857,123	0.8%	83,273	-4.0%	3,921,467	-2.6%
2022	80,054	-4.3%	6,487,755	10.8%	79,298	-4.8%	4,238,052	8.1%
2023	99,224	23.9%	7,173,732	10.6%	98,705	24.5%	4,795,645	13.2%

In addition, the operations at TIX are divided by category as follows:

TIX Operations					
Year	Local	Itinerant	AirTaxi	Military	Total
2019	48,276	35,954	429	190	84,849
2020	52,148	34,601	199	87	87,035
2021	52,769	30,504	195	149	83,617
2022	49,013	30,285	493	263	80,054
2023	61,179	37,526	429	90	99,224

According to the airport manager, the total general aviation fuel flowage at TIX are as follows:

TIX Fuel Flowage				
Year	AvGas	JetA	Total	% Change
2019	99,942	219,988	319,930	
2020	73,961	265,272	339,233	6.0%
2021	99,205	329,330	428,535	26.3%
2022	103,100	340,400	443,500	3.5%
2023	141,189	436,131	577,320	30.2%

According to the airport manager, the total based aircraft at TIX, is as follows:

TIX Based Aircraft						
Year	SE	ME	Jet	Helo	Based Aircraft	% Change
2019	80	21	1	18	120	
2020	80	21	1	18	120	0.0%
2021	69	9	1	18	97	-19.2%
2022	68	9	1	18	96	-1.0%
2023	83	12	1	17	113	17.7%

According to the FAA's "U.S. Civilian Airmen Statistics", the population of licensed pilots in Brevard County is as follows:

Brevard County Airmen Population					
Year	Total	Commercial	Airline Transport	Student	Private
2019	3,292	522	1,199	858	686
2020	3,439	564	1,226	1,763	704
2021	3,646	615	1,245	1,039	720
2022	3,879	654	1,257	1,171	769
2023	4,154	693	1,299	1,327	807

Florida Airmen Population					
Year	Total	Commercial	Airline Transport	Student	Private
2019	68,914	11,691	20,223	22,225	14,186
2020	72,499	12,565	20,572	24,357	14,401
2021	75,551	12,841	21,175	26,531	14,338
2022	79,403	12,847	21,959	29,293	14,665
2023	85,597	13,212	23,185	33,038	15,507

The above statistics of airport activity at TIX were analyzed in terms of the business trends in the area, as well as for purposes of comparison with other airports and were considered on our analysis.

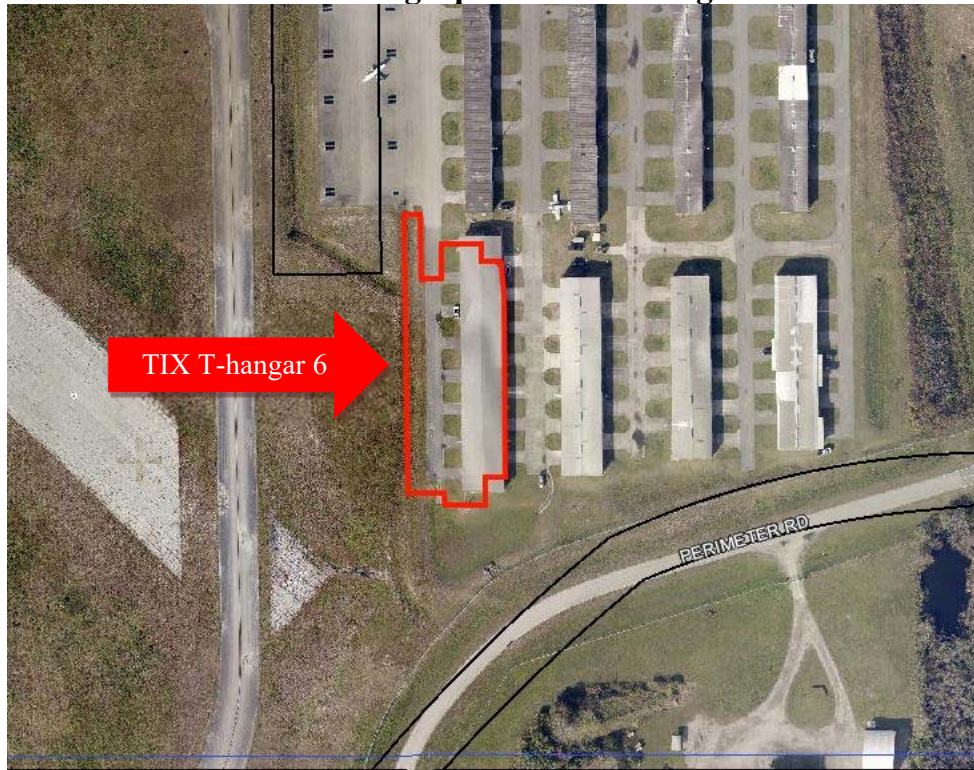
DESCRIPTION OF THE PROPERTY

The subject property represents a parcel of aeronautical land that are improved with a building at the Space Coast Regional Airport, Titusville, Brevard County, Florida. TIX T-hangar 6 is a pre-engineered metal building that contains 14 standard t-hangar units. Based on the information provided, a typical T-hangar unit contains 1,018 square feet and have sliding hangar doors that provide openings of 41' wide and 12' high. The nested design of the building provides for three hangars that have bonus storage areas (Units 6-A, 6-G and 6-H) , as well as a demised office/storage area (Unit 6-O) at the north end of the building. The following is a unit breakdown of TIX T-hangar 6:

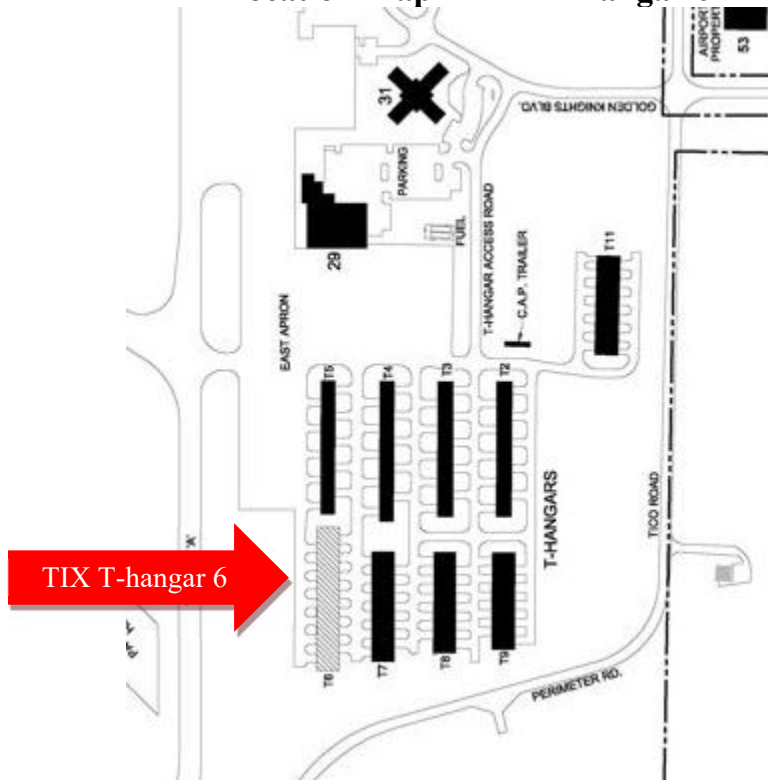
TIX T-Hangar 6			
Unit	T-Hangar SF	Strg SF	Total SF
6-A	1,018	82	1,100
6-B	1,018		1,018
6-C	1,018		1,018
6-D	1,018		1,018
6-E	1,018		1,018
6-F	1,018		1,018
6-G	1,018	354	1,372
6-H	1,018	256	1,274
6-I	1,018		1,018
6-J	1,018		1,018
6-K	1,018		1,018
6-L	1,018		1,018
6-M	1,018		1,018
6-N	1,018		1,018
6-O		827	827
Total	14,252	1,519	15,771

T-hangar 6 was constructed in 2003 on 1.09-acre parcel of leased aeronautical land. The facility is considered to be in good condition based on its age and level of maintenance provided. Site improvements include paved areas in front of each t-hangar unit and nominal landscaping. Photographs of the building are included in the addenda.

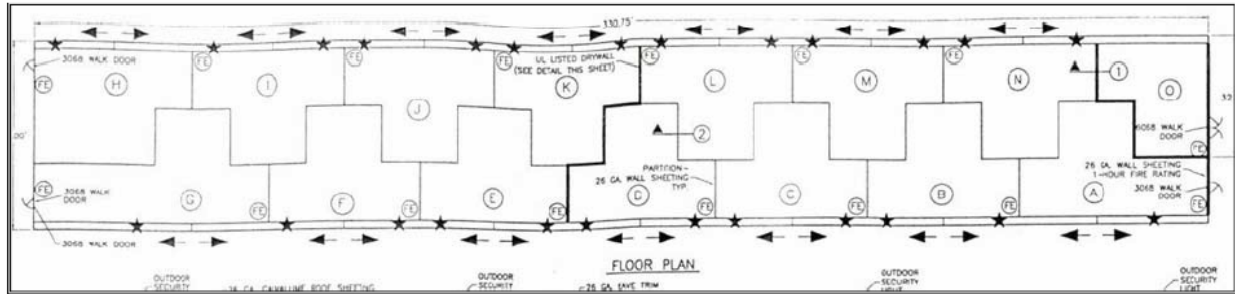
Aerial Photograph – TIX T-Hangar 6



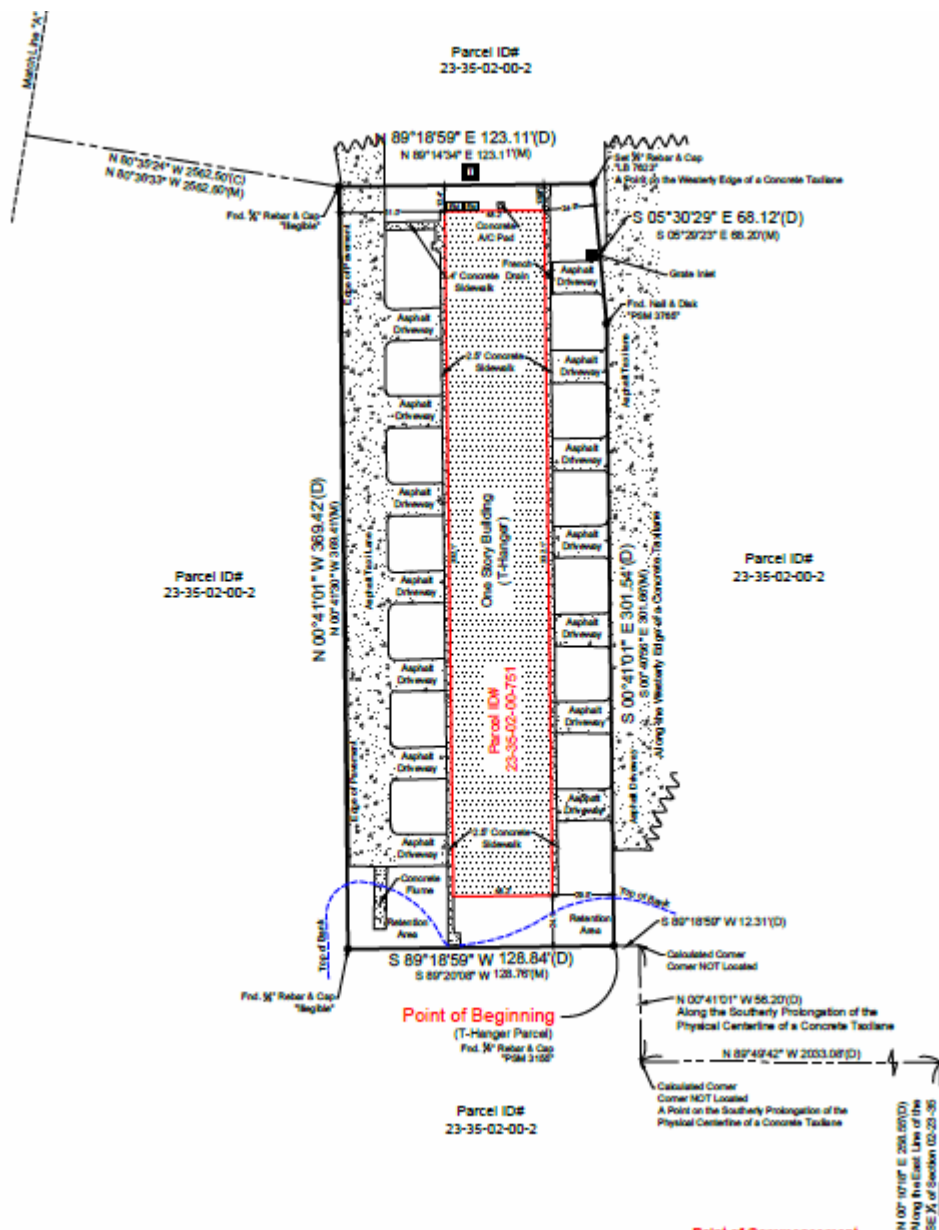
Location Map – TIX T-Hangar 6



Floor Plan – TIX T-Hangar 6



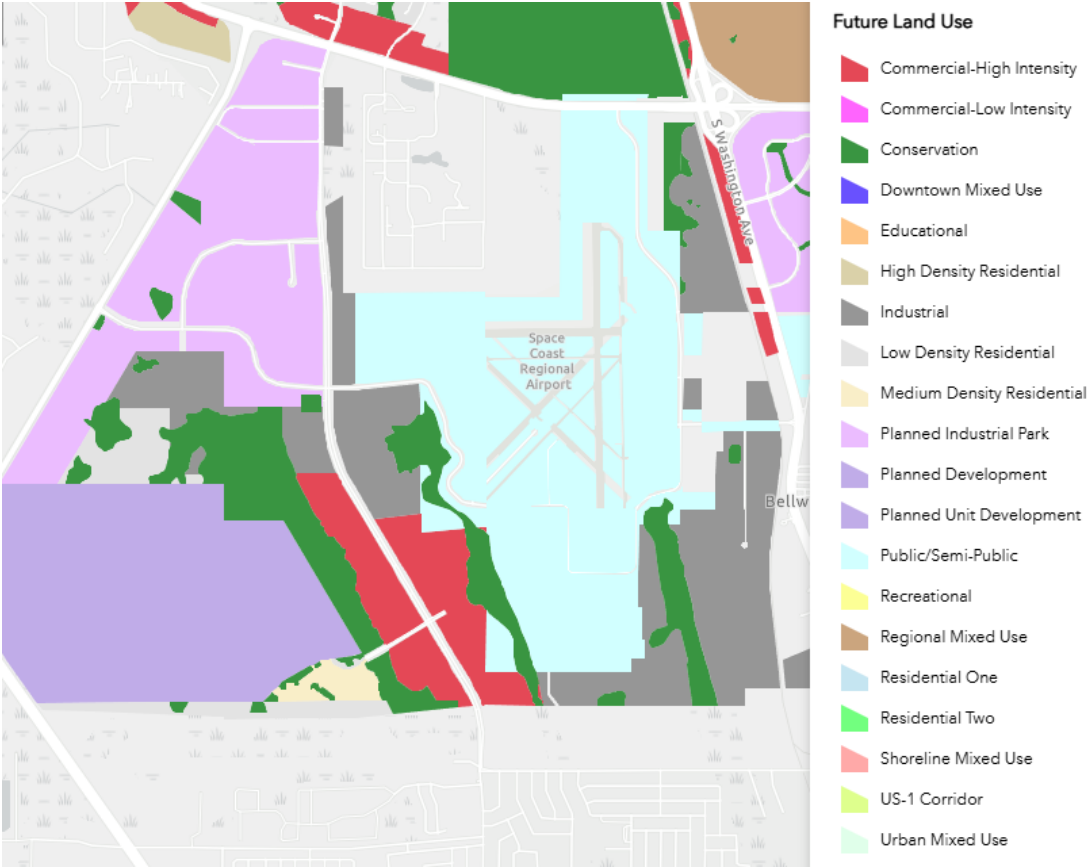
Survey – TIX T-Hangar 6



ZONING AND LAND USE

The subject property is located within the City of Titusville and the site has a land use of Public/Semi-Public and is zoned Public Use. The subject improvements are purpose-built improvements that appear to be a permitted and conforming use.

Land Use/Zoning Map



REAL ESTATE TAXES

The Brevard County Property Appraiser's (BCPA) office has assessed the subject property in 2024 as follows:

TIX T-hangar 6

BCPA Parcel Number: 23-35-02-00-751

Total Assessment: \$521,070

Real Estate Taxes: Exempt

HIGHEST AND BEST USE

The following definitions are from The Dictionary of Real Estate Appraisal (Seventh Edition) published by the Appraisal Institute:

Highest and Best Use is the “reasonably probable use of property that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”

Highest and Best Use As Though Vacant is the use “among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

In estimating highest and best use, there are essentially four stages of analysis:

1. Possible Use - normally dictated by physical constraints.
2. Permissible Use - what use would be permitted in consideration of existing zoning and other applicable laws governing the use of the property, as well as any deed restrictions that may exist.
3. Feasible Use - which possible and permissible uses will produce a net return to the owner of the site.
4. Maximally Productive - among feasible uses, which use will produce the highest net return to the land.

To meet the tests of highest and best use, the use cannot be speculative or conjectural. It must be legal and probable. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time. The highest and best use of the land is for aeronautical development within the constraints of land use, zoning, minimum standards, the Airport Layout Plan (ALP) and market demand. Based on the foregoing, our highest and best use analysis is limited to the subject property, as improved.

Highest and Best Use As Improved is “the use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

The highest and best use conclusion, as improved, is dictated largely by the existing improvements on the property. The subject property represents a 14-unit T-hangar building (TIX T-hangar 6) that was constructed in 2003. The subject building is considered to be in good condition. The design of the subject facility is considered functional based on the operating capacity of the airport.

Since the existing improvements have been constructed on the site, the property becomes an integral unit consisting of both land and improvements. The integration of land and buildings relates to the concept of the marginal dollar. This theory implies that the existing use will continue as long as the property, as improved, has a market value exceeding the market value of the site, as vacant.

The highest and best use, as improved, considers the use that should be made of a property as it exists. Existing improvements should be renovated or retained as long as they contribute to the total value of the property, or until the return from the new improvement would more than offset the costs of demolishing those existing. Based on our analysis, the highest and best use of the subject building, as improved is for its continued use for the foreseeable future.

SUMMARY OF ANALYSIS AND VALUATION

There are three generally recognized approaches considered in the valuation of real property. They include the income, sales comparison, and cost approaches. It should be noted that the appropriateness and reliability of each approach depends on the type of property being appraised, the age and condition of the improvements, if any, and the availability and quality of market data available for analysis.

The income approach provides an indication of value of a property based on a conversion of anticipated benefits (net income). The method of conversion is called capitalization and is either based on a single year's income (direct capitalization), or several years' income (discounted cash flow). The sales comparison approach provides an indication of value based on sales of properties considered similar. The cost approach provides an indication of the value of a property represented by the reproduction cost of the existing improvements, less accrued depreciation, to which is added the land value.

As noted, the subject building improvements are located on a parcel of leased aeronautical land and the scope of the appraisal is limited to the present value of the remaining leasehold interest in the subject property through the end of the existing lease term (through March 31, 2043), including the renewal option. As such, for valuation purposes Sheltair's leasehold interest in T-hangar 6 is equal to the present value of the right to receive income (net operating income) for the continued use of the property for the next 18.33 years.

Based on the appraisal problem, the cost and sales comparison approaches are not considered pertinent. In the subsequent valuation section, we will use the income approach to value to estimate the present value of the remaining leasehold interest in T-hangar 6. The appraisal process is concluded by a review and re-examination of each of the approaches to value employed. Consideration is given to the type and reliability of data used and the applicability of each approach. These factors are reconciled and a final value estimate is made.

INCOME APPROACH

The income approach is a procedure where anticipated economic benefits to be derived from property ownership are converted into a value estimate through a capitalization process. The principle of "anticipation" underlying this approach acknowledges that an investor recognizes a relationship between income and asset value. The process of estimating the anticipated economic benefits from a particular property requires the estimation of potential income, expense and net operating income, as well as the selection of the most appropriate capitalization method.

To estimate the market value of the remaining leasehold interest in the subject property as of the date of valuation (18.33 years) via application of the income approach to value, we

have estimated the present value of the future net income stream that could be derived from the continued rental use of the subject property.

In this analysis, the net income from the rental operation of the subject property is converted into a single present value through discounting. Discounting is a procedure based upon the assumption that benefits received in the future are worth less than the same benefits received today. In other words, an investor must be compensated for foregoing present benefits, such as the immediate use of capital and instead, accepting future benefits.

In order to arrive at the current value of the future income stream, the periodic income is multiplied by a factor that is the equivalent of the present worth of \$1 per period (in this analysis, annual payments) compounded at the applicable interest rate for the number of periods remaining in the lease term. These present worth of \$1 factors are precomputed in numerous financial tables or can be computed with a calculator or with financial computer programs.

In this appraisal, the potential gross income (PGI) is estimated, as well as vacancy and collection loss, operating expenses, and net operating income (NOI). The vacancy and collection loss is deducted from the PGI and results in effective gross income (EGI). Operating expenses are deducted from the effective gross income resulting in net operating income. The net operating income is then forecast for the remaining term of the lease and then discounted to a present value. The analysis of the net operating income will be followed by the present value analysis.

Potential Gross Income

The subject property consists of T-hangar 6 that includes a total of 14 standard T-hangar units and construction was completed in 2003 by Sheltair. Sheltair subleases the units the various tenants and provided a rent roll of the units that indicates they typically charge monthly rent, plus a common area maintenance (CAM) fee on most units that average about \$85 per month. Typical units contain about 1,018 square feet and monthly rent ranges from \$500 to \$615, with most units at \$550 per month. The nested design of the T-hangar building provides for the end units to have 'bonus' storage areas and those units contains from 1,100 to 1,372 square feet (Units 6A, 6G & 6H) and the monthly rent ranges from \$552 to \$685 depending on size. In addition, T-hangar 6 has an air-conditioned office area (Unit 6-O that contains 827 square feet and rents for \$445 per month. The variation in rental rates was based on several factors including the age of the tenancy, as well as multiple units included in single agreements and was considered in our analysis. Based on our analysis, the current rents are considered to represent market rent as of the date of valuation and was relied upon in our estimate of the market value of the remaining leasehold interest in the subject property.

For valuation purposes, we have estimated the potential gross income attributable to the

subject property based on an average monthly rent of \$550/month for the standard T-hangar units, \$650/month for the T-hangar units with bonus area (Units 6G and 6H) and \$445/month for the office unit (Unit 6-O), as well as the CAM fee at \$85/month, as follows:

Potential Gross Income

	Units	\$/Unit/Mo	\$/Mo	\$/Mo Total
T-hangar 6 - Standard Units	12	\$550	\$6,600	
T-hangar 6 - Units with Bonus Area	2	\$650	\$1,300	
T-hangar 6 - Office Unit	1	\$445	\$445	
CAM Fee	15	\$80	\$1,200	
Total Monthly Potential Gross Income				\$9,545
Total Annual Potential Gross Income				\$114,540

Vacancy & Collection Loss

The investor is primarily interested in the cash revenues that an income property is likely to produce annually over a specified period of time, rather than what it could produce if it were always 100% occupied and all the tenants were actually paying their rent and expense reimbursement in full and on time. It is normally a prudent practice to expect some income loss, either in the form of actual vacancy, turnover, non-payment or slow payment of rent by tenants. Based on our analysis, T-hangar facilities similar to the subject property are in high demand in the area and at TIX, we have estimated a stabilized vacancy rate and collection loss of 5.0% for the subject property.

Effective Gross Income

Effective gross income is equal to potential gross income less vacancy and collection loss and we have estimated the stabilized effective gross income as follows:

Potential Gross Income:	\$114,540
Less Vacancy & Collection Loss (5%):	-\$ 5,730
Effective Gross Income:	\$108,810

Operating Expenses

In our analysis of the subject property based on its net income generating potential, we reviewed available expense information for the subject property and estimated other operating expenses based on industry standards, as well as conversations with building owners and property managers. The estimated annual operating expenses are summarized as follows:

Real Estate Taxes: The subject property as part of the TIX AOA is not currently assessed for ad valorem real estate taxes by Brevard County.

Insurance: We have estimated the property insurance for the subject property at \$1.00 per square foot or \$15,770.

Management/General Administrative: Based on the size of the property and complexity of management, we have estimated a management/general and administrative expense for the subject property at 5% of effective gross income, or \$5,440.

Repairs & Maintenance: We have estimated repairs and maintenance expenses applicable to the sublessor at \$11,830 (\$0.75 per square foot).

Land Lease Rent: As noted, Sheltair developed the subject property on aeronautical land leased for the TCAA. The current land rent for the subject parcel is \$10,040.

Utilities: The T-hangar units are individually metered for electricity and sublessor utility expenses are limited to water and building lighting. We have estimated utility expenses applicable to the sublessor at \$1,580 (\$0.10 per square foot).

Miscellaneous Expenses: We have estimated miscellaneous expenses at \$3,940 (\$0.25 per square foot).

Total Operating Expenses

Based on the above information, the operating expenses attributable to the subject property have been estimated at \$48,600, or \$3.08 per square foot. The operating expenses reflect an expense ratio of 44.7% of the effective gross income.

Net Operating Income (NOI)

The net operating income is the anticipated net income that remains after all operating expenses are deducted from effective gross income (potential gross income less vacancy and collection loss). We have estimated the current stabilized net operating income for the subject property at \$60,210, as follows:

Stabilized Income/Expense Statement

TIX T-hangar 6	Bldg SF	\$/SF	\$/Yr 1
Potential Gross Income	15,771	\$7.26	\$114,540
Vacancy/Collection Loss	5.0%		\$5,730
Effective Gross Income			\$108,810
Operating Expenses			
Real Estate Taxes		\$0.00	\$0
Insurance		\$1.00	\$15,770
Management/G&A	5.0%	\$0.34	\$5,440
Land Rent		\$0.64	\$10,040
Repairs & Maintenance		\$0.75	\$11,830
Utilities		\$0.10	\$1,580
Miscellaneous		\$0.25	\$3,940
Total Operating Expenses		\$3.08	\$48,600
Net Operating Income			\$60,210

Leasehold Interest Analysis

We have estimated current (Year 1) net operating income at \$60,210 in the previous section. As noted, there is approximately 18.33 years remaining on the Sheltair lease agreement. To estimate the present value of the net operating income for the remaining term of the lease, the net operating income has been forecasted to increase annually. It should be noted the lease provides for the ownership of the subject improvements to revert to TCAA at the end of the lease. As such, our analysis of the remaining leasehold interest in the subject property has not considered the reversionary value, if any, of the subject property at the end of the lease.

Based on current market conditions, it is virtually impossible to predict with any degree of certainty what property values will do for the remaining lease term. Nevertheless, it is a necessary part of the valuation process to project the future net operating income for the subject property. To project the future net operating income, we have reviewed changes in the Consumer Price Index (CPI). Over the past 10 years, the CPI has increased annually about 3%. We have projected the future net operating income for the subject property to increase annually at 3%.

In order to discount the future net income streams to present value, consideration was given to the interest rate which would attract investors to this type of property. Analysis of comparable sales of leased fee interests is preferable to estimate the applicable rate on the basis of what rate of return the buyer anticipated at the time of purchase. Unfortunately, such sales seldom occur, and when they do, often there are extenuating circumstances which affect the purchase price.

To estimate the appropriate discount rate applicable to the projected net income that could

be derived from the continued rental operation of the subject property, we have reviewed national real estate investor surveys. The RealtyRates 3rd Quarter 2024 investor survey reflected average discount rates of 7.83% and 20.40% for special purpose properties, with an overall average of 11.05%. Based on the above analysis, and taking into consideration the overall condition of the subject facility, as well as the limited supply and significant demand for hangars at TIX, we have estimated an annual discount rate to be applied to the projected net operating income from the continued rental operation of the subject property to be 9.0%

To estimate the present value of the remaining leasehold interest in the subject property, we have projected future net operating income based on an annual increase of 3% and discounted the annual rental payments to a present value by multiplying the annual income by an annual present value factor. The annual present value factors are equivalent of the present worth of \$1 per period (in this analysis, annual payments) compounded at the applicable interest rate for the number of periods remaining in the lease term. These present worth of \$1 factors are precomputed in numerous financial tables or can be computed with a calculator or with financial computer programs. Based on the above analysis, we have estimated the present value of the leasehold interest in the subject property at \$650,000 as follows:

Leasehold Extension Present Value Analysis					
TIX T-hangar 6			Net	Present	Present
Year	Start	End	Operating	Value	Value/Year
			Income	Factor	
1	12/1/24	11/30/25	\$60,210	0.9174312	\$55,240
2	12/1/25	11/30/26	\$62,020	0.8416800	\$52,200
3	12/1/26	11/30/27	\$63,880	0.7721835	\$49,330
4	12/1/27	11/30/28	\$65,800	0.7084252	\$46,610
5	12/1/28	11/30/29	\$67,770	0.6499314	\$44,050
6	12/1/29	11/30/30	\$69,800	0.5962673	\$41,620
7	12/1/30	11/30/31	\$71,890	0.5470342	\$39,330
8	12/1/31	11/30/32	\$74,050	0.5018663	\$37,160
9	12/1/32	11/30/33	\$76,270	0.4604278	\$35,120
10	12/1/33	11/30/34	\$78,560	0.4224108	\$33,180
11	12/1/34	11/30/35	\$80,920	0.3875329	\$31,360
12	12/1/35	11/30/36	\$83,350	0.3555347	\$29,630
13	12/1/36	11/30/37	\$85,850	0.3261786	\$28,000
14	12/1/37	11/30/38	\$88,430	0.2992465	\$26,460
15	12/1/38	11/30/39	\$91,080	0.2745380	\$25,000
16	12/1/39	11/30/40	\$93,810	0.2518698	\$23,630
17	12/1/40	11/30/41	\$96,620	0.2310732	\$22,330
18	12/1/41	11/30/42	\$99,520	0.2119937	\$21,100
19 (1)	12/1/42	3/31/43	\$33,830	0.1944897	\$6,580
Estimate Present Value at			9.0%		\$647,930

Note 1: Partial year

RECONCILIATION

The process of reconciliation reviews and reexamines the scope of the appraisal assignment, as well as the approaches to value that were used. Our analysis began with defining the scope of the assignment. The appraisal includes an estimate of present value of the remaining leasehold interest (18.33 years) in the subject property (T-hangar 6) through the end of the existing lease term (through March 31, 2043). As noted, the facility is located on leased aeronautical land. As such, the scope of this analysis is limited to the valuation of the remaining leasehold interest in the subject building improvements.

In this analysis, we have used the income approach to value to estimate the present value of the leasehold interest in the subject property based on the existing lease. As noted, the cost and sales comparison approaches were not considered pertinent.

In our analysis, the income approach considered the present value of the potential net operating income that could be derived for the continued rental usage of the property over the remaining lease terms. The current net operating income was estimated based on current sublease rent and expenses were estimated based on typical expenses for a property of this type. The net operating income was projected for the remainder of the lease term (18.33 years) and included anticipated annual increases of 3%. The present value of the net operating income over the remaining lease term was estimated using annual present value factors. Based on the circumstances and quality of the data, this approach is considered a reliable indicator of value and we have estimated the present value of the remaining leasehold interest in the subject property as of December 1, 2024 to be \$650,000.

ADDENDUM A - Photographs of the Subject Property



TIX T-hangar 6 - View of east and north elevations.



TIX T-hangar 6 - View of west and south elevations.

General Aviation Airport Summary - Florida 2023-24

Prepared By: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida 33173
305-670-2111 E-mail: Info@SJMiami.com Website: SJMiami.com

Slack, Johnston & Magenheimer's 2023-24 general aviation airport survey included 59 airports within Florida. The 2023-24 survey was our 29th state-wide survey and included a variety of general aviation, non-hub commercial and small hub commercial airports with greater than +/-25,000 annual operations. Large and medium hub commercial airports were excluded from the survey. The primary focus of our survey was rental rates and charges for airport properties, including both aviation and non-aviation uses. The airports have been classified based on location, physical size, annual operations, based aircraft and fuel flowage. The data collected includes statistical information, as well as rates and charges information, for various types of airport properties.

The rates and charges information included fuel flowage fees, ground, pavement and building rental rates, as well as a variety of aircraft storage rates including tie downs, T, shade, corporate and community hangars. The survey results have been summarized into selected categories and represent only a portion of the information gathered. It should be noted this is a summary of our survey findings and this survey should not solely be relied upon to establish rates at any airport.

Slack, Johnston & Magenheimer's 2023-24 survey continues to indicate that, although there is a wide variation in geographic locations and non-aviation property values throughout the state, there is less of a variation in rental rates and charges for various components at general aviation airports. In our summary, the state was divided into four geographic regions. A list of the airports surveyed, as well as a state map delineating the geographic divisions is attached.

The scope of our survey included email questionnaires and personal telephone interviews with airport managers and fixed base operators (FBOs) conducted during mid-2024. In addition, our analysis included a review of several secondary general aviation data sources. These included the Florida Department of Transportation Florida Aviation System Plan and Federal Aviation Administration reports, as well as various third party data sources.

In our continued effort to monitor the condition of the general aviation industry in Florida, we have reviewed the general aviation activity levels including airport operations, based aircraft and fuel flowage, as well as civilian airmen population. In addition, we continue to monitor the commercial aviation industry in Florida, including enplaned passengers and cargo activity. This year's survey illustrates the general aviation market in Florida has fully recovered from the pandemic, with notable growth in the past five years in based aircraft (7%), operations (9%) and fuel flowage (46%).

Our statewide survey of general aviation and small/non-hub commercial airports indicates continued growth compared to 2022 in based aircraft (5%), operations (10%) and stable general aviation fuel flowage. Rental rate trends indicate continued increases in 2023 as compared to 2022. Demand and occupancies remain strong statewide.

The demand for general aviation fuel in 2023 remained stable as compared to 2022 and indicated an average increase of 46% over the past 5 years. Over the past Florida has seen significant growth in general aviation fuel flowage, including Southeast Florida (+46%), Southwest Florida (+58%), Northeast Florida (+28%) and Northwest Florida (+35%).

Our analysis of the annual operations at all Florida airports with FAA control towers built prior to 2013 indicated in 2023, increases in total operations (11%) and general aviation operations (13%) as compared to 2022. A review of the general aviation annual operations information indicates in 2023 there were increases in itinerant operations (8%) and local operations (20%) as compared to 2022. It was noted that for the first time since the pandemic both general aviation itinerant operations and general aviation local operations in 2023 exceeded pre-pandemic level.

Our analysis of the civilian airmen population nationally during 2023 indicated increases in total pilots (7%), student pilots (13%) and private pilots (2%) as compared to 2022. In Florida, the civilian airmen population increased in 2023 in total pilots (8%), student pilots (13%) and private pilots (6%) as compared to 2022. Over the past five years, Florida has seen significant growth in all pilot categories including total pilots (35%), student pilots (76%) and private pilots (13%).

A review of the commercial aviation activity including enplaned passengers and landed cargo indicates that activity continues to be primarily centered at Florida's large and medium hub airports. Commercial service airports reached a milestone in 2023 with over 100 million annual enplanements for the first time ever. Total enplanements at Florida's commercial service airports increased in 2023 about 6%. The recent trend in passenger enplanement distribution continued, with small and non-hub commercial service airports that indicated an annual increase in enplanements of about 8%, slightly outpacing the large and medium hub commercial service airports that indicated an annual increase in enplanements of about 5%. Florida's cargo market remains stable, with an increase in landed cargo of about 10% in 2023 as compared to 2022. MIA continues to dominate the cargo market in Florida with about 73% of all landed cargo in 2023. It was noted the distribution of cargo among Florida airports continues evolve with the advent of carrier specific cargo operations that have led to double digit declines in cargo volume at half the large and medium hub airports (excluding MIA).

The following information summarizes our survey. As always, we thank those who participated in the survey. We look forward to continuing to serve the rates and charges and general real estate valuation and consulting needs of the Florida aviation community. Let us know if we can further assist you.

Slack, Johnston & Magenheimer is a valuation firm based in Miami, Florida for over 60 years and has provided appraisal and consulting services to over 60 airports. For more information visit www.sjmiami.com or call us at 305-670-2111. We find solutions!

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General Aviation Airport Survey - Florida 2023-24

Prepared by: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida

Phone: 305-670-2111 Email: info@SJMiami.com Website: SJMiami.com

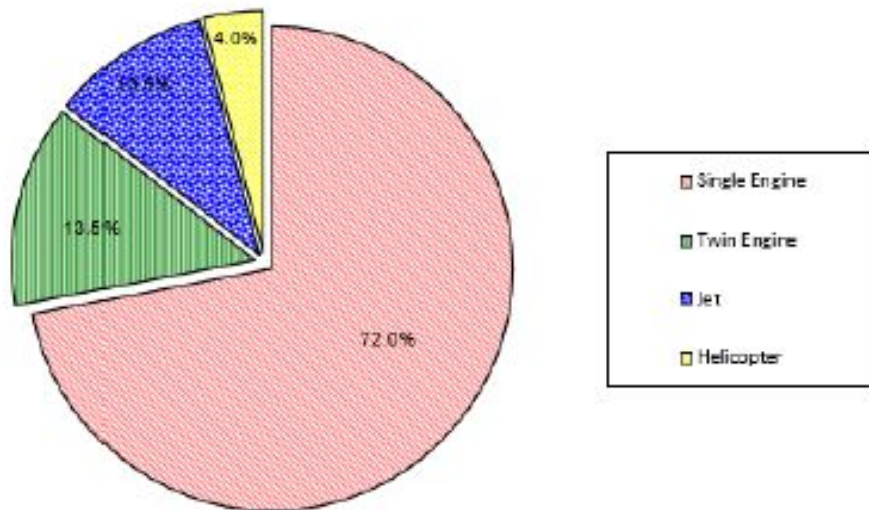
General Aviation, Non-Hub Commercial and Small-Hub Commercial Airports with > +/-25,000 Annual Ops

	Airports Surveyed	Airport Size (Acres)	Based Aircraft	Annual GA Operations	Annual GAFuel Flowage	Fuel Flowage Fee (\$/gal.)	Annual Ground Rent (\$/Sq. Ft.)	Aircraft Storage			
								Tie-Down S.E. (\$/mo.)	T-Hangers S.E. (\$/mo.)	T.E. (\$/mo.)	Shade S.E. (\$/mo.)
Total	59	4,000	626	315,600	26,516,000	\$0.200	\$0.70	\$300.00	\$1,400	\$2,500	\$500
High-		47	10	34,100	10,000	\$0.030	\$0.10	\$40.00	\$162	\$300	\$134
Low-		1,135	200	102,100	2,361,000	\$0.052	\$0.33	\$121.00	\$524	\$687	\$257
Mean-											
Southeast	16	3,700	626	315,600	26,516,000	\$0.150	\$0.66	\$250.00	\$1,400	\$2,500	\$500
High-		757	10	34,100	10,000	\$0.030	\$0.10	\$80.00	\$275	\$701	\$248
Low-		1,045	226	121,300	4,420,000	\$0.054	\$0.33	\$153.00	\$626	\$1,440	\$374
Mean-											
Southwest	19	2,400	399	191,300	11,531,000	\$0.100	\$0.70	\$225.00	\$695	\$870	\$400
High-		47	62	36,000	63,000	\$0.040	\$0.15	\$40.00	\$201	\$300	\$134
Low-		945	218	80,300	1,750,000	\$0.077	\$0.35	\$96.00	\$440	\$558	\$244
Mean-											
Northeast	20	2,800	320	182,100	4,943,000	\$0.200	\$0.45	\$300.00	\$820	\$1,030	\$138
High-		138	65	40,000	33,000	\$0.040	\$0.17	\$40.00	\$162	\$357	\$138
Low-		1,210	176	116,100	1,252,000	\$0.063	\$0.29	\$111.00	\$415	\$554	\$138
Mean-											
Northwest	4	4,000	178	74,700	2,505,000	\$0.130	\$0.43	\$150.00	\$635	\$635	n/a
High-		335	36	42,500	1,340,000	\$0.040	\$0.33	\$110.00	\$300	\$450	n/a
Low-		2,024	129	58,900	1,831,000	\$0.075	\$0.39	\$128.00	\$475	\$602	n/a
Mean-											

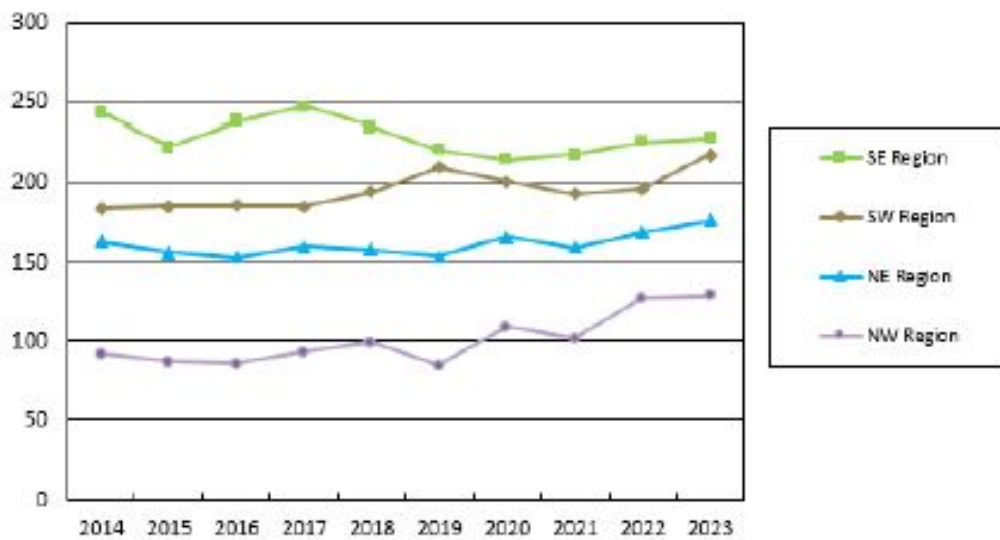


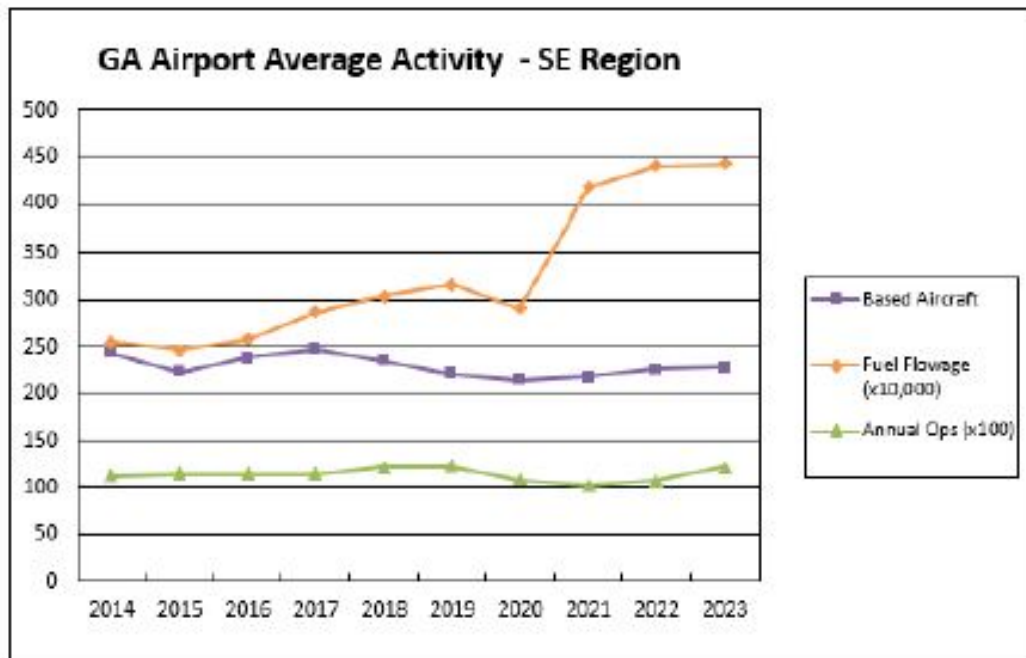
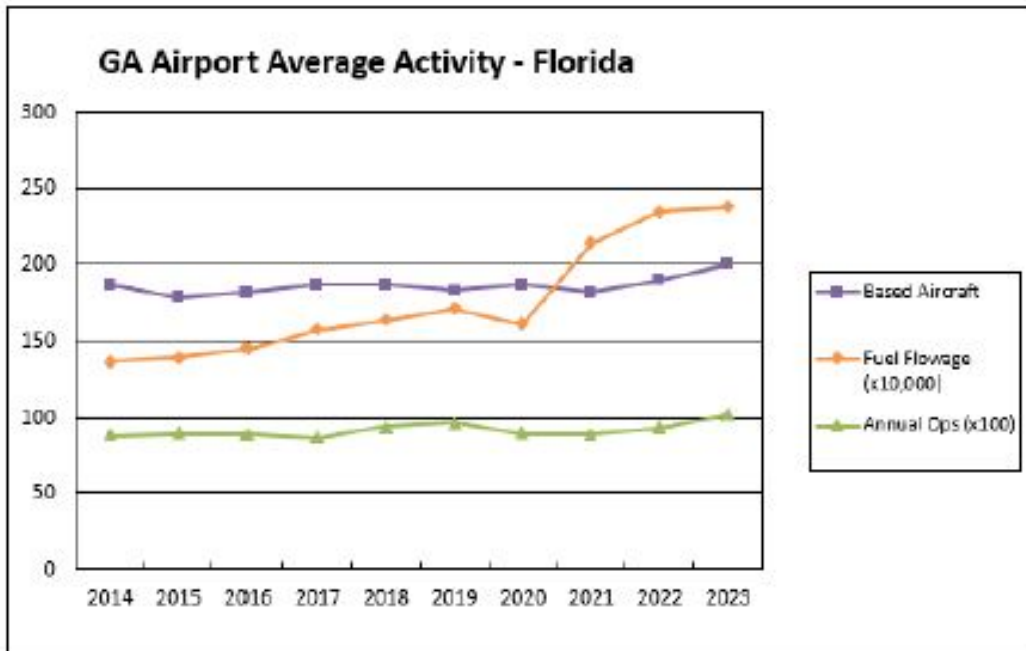
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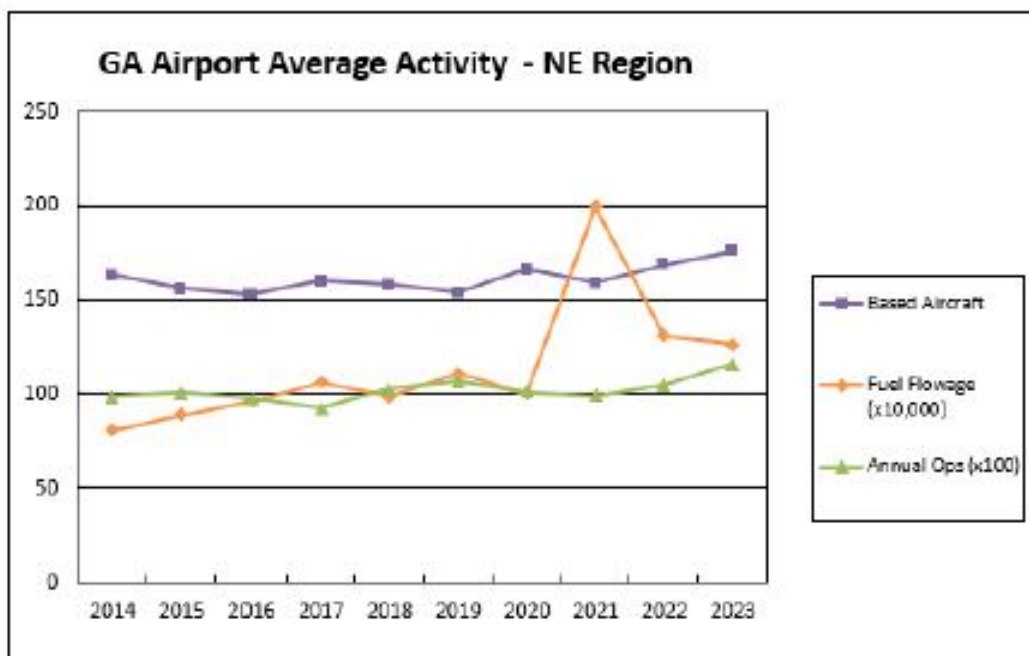
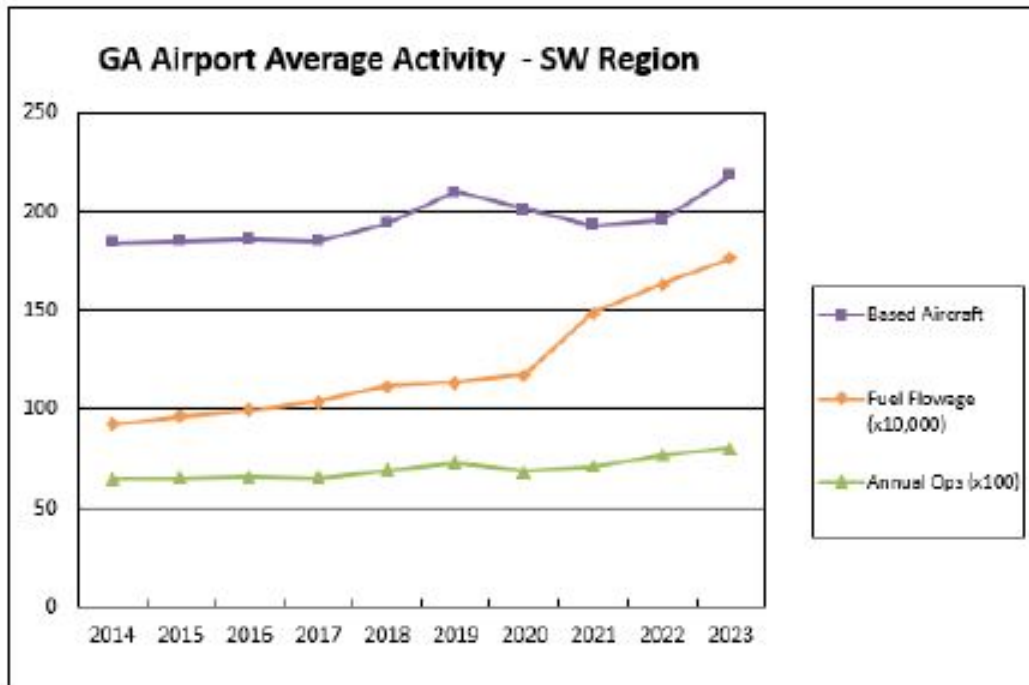
GA Airports Average Based Aircraft Distribution - 2023-24

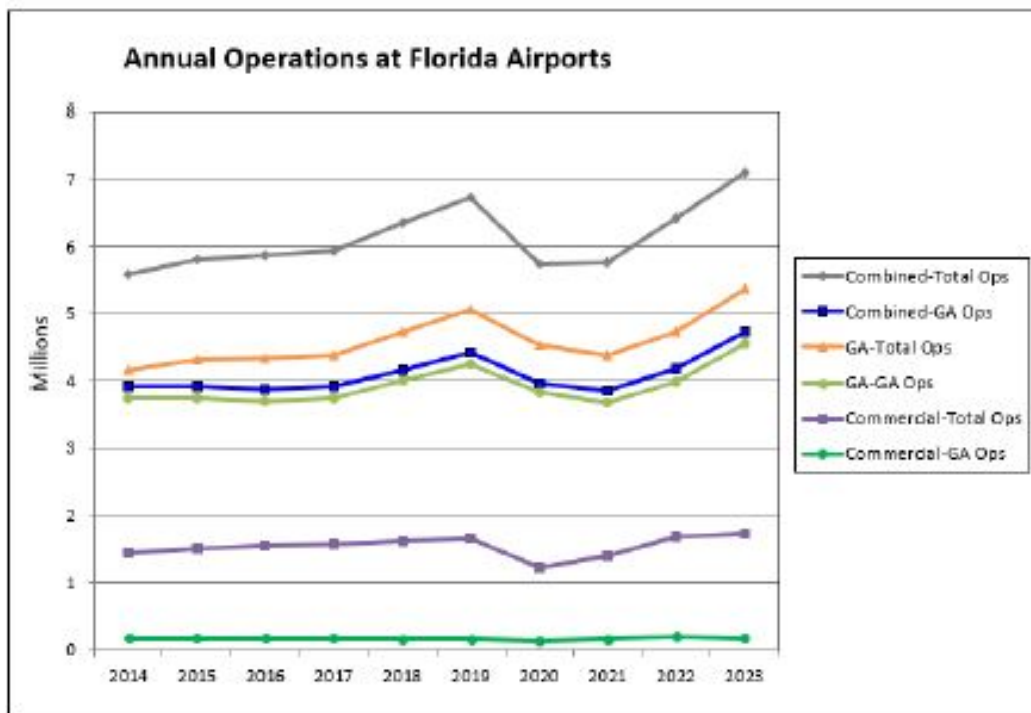
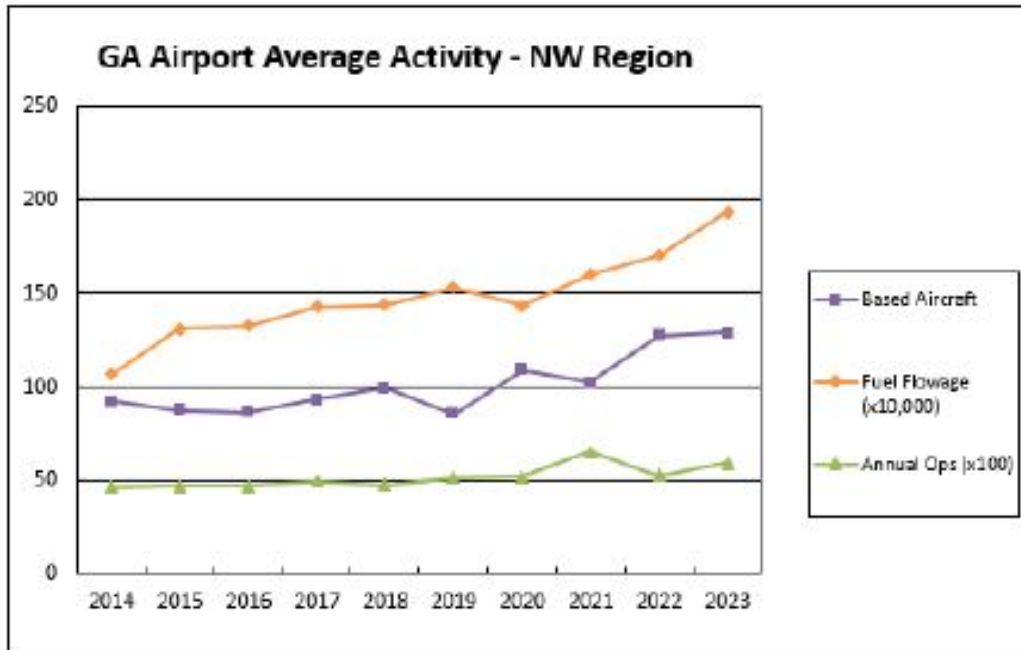


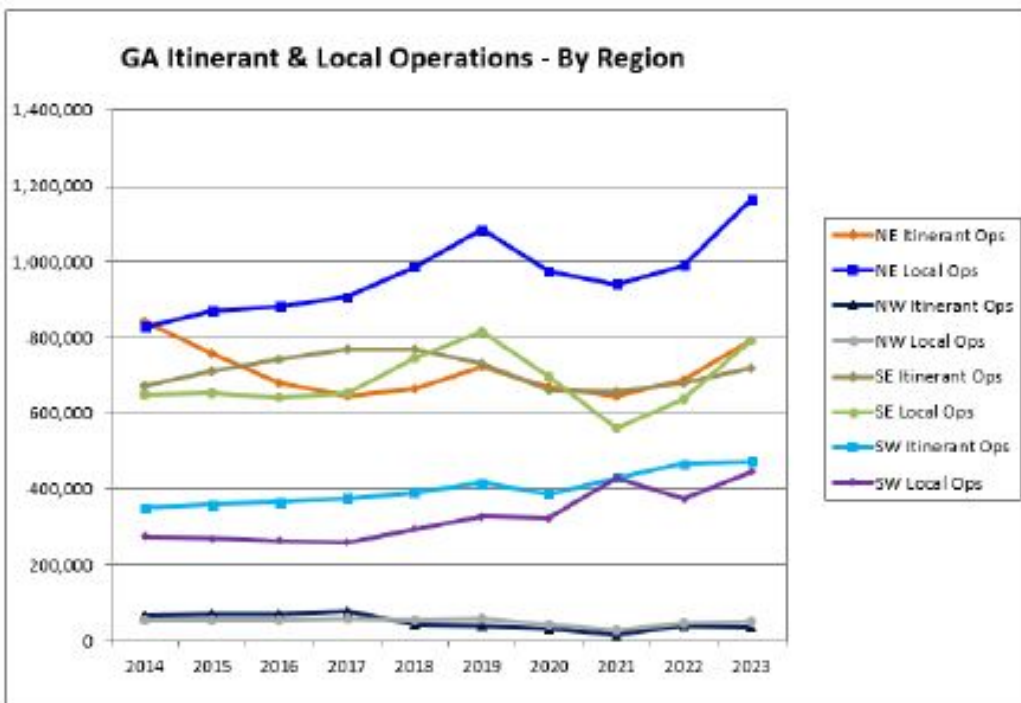
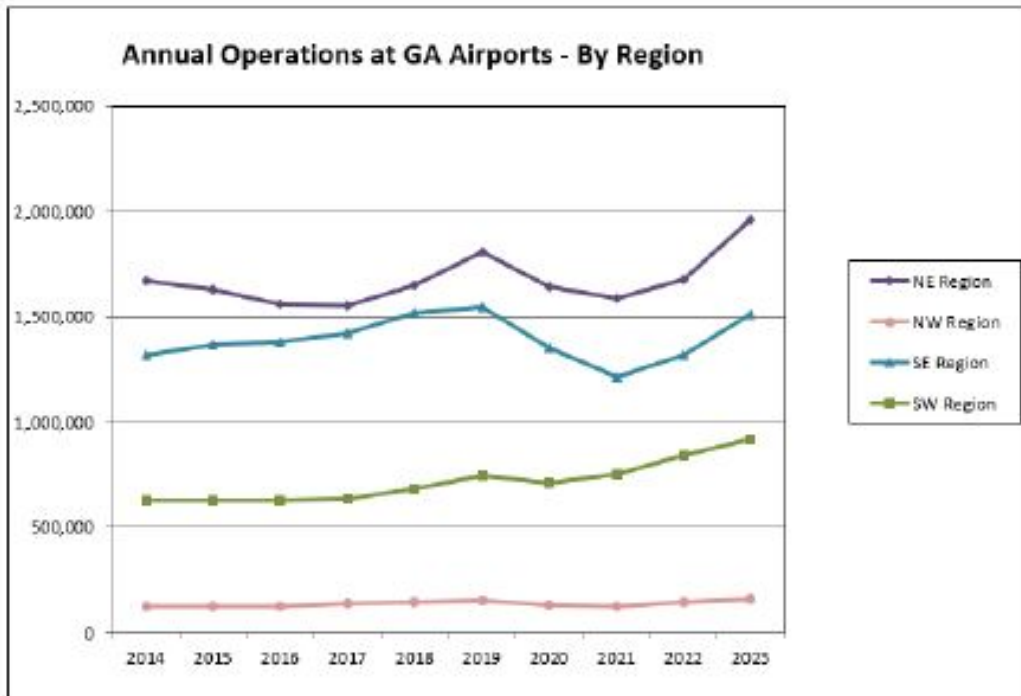
GA Airport Average Based Aircraft-By Region

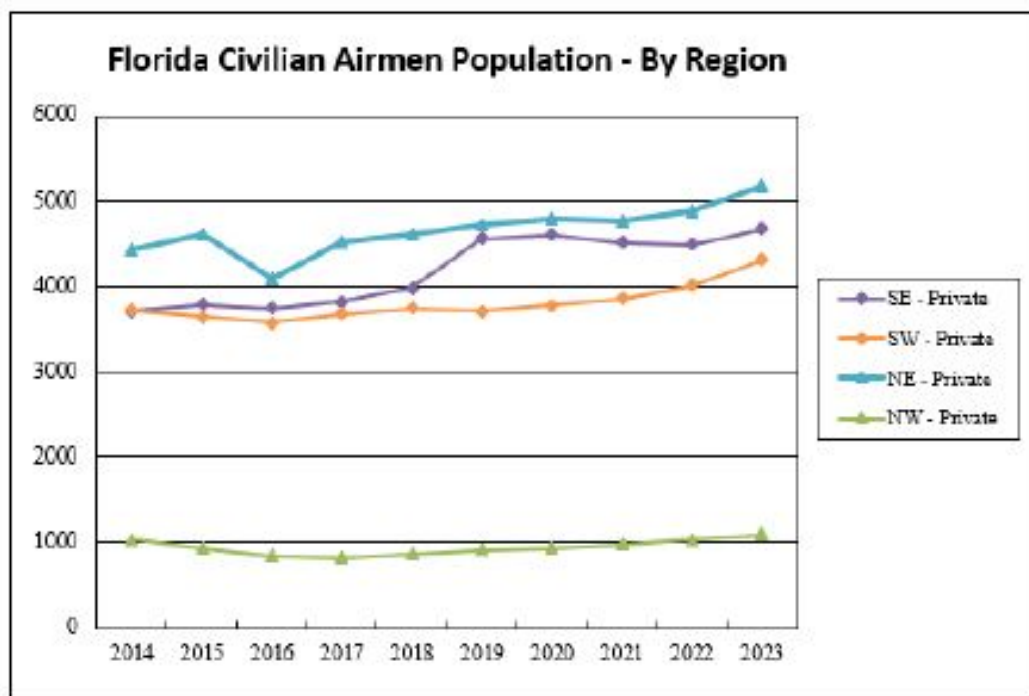
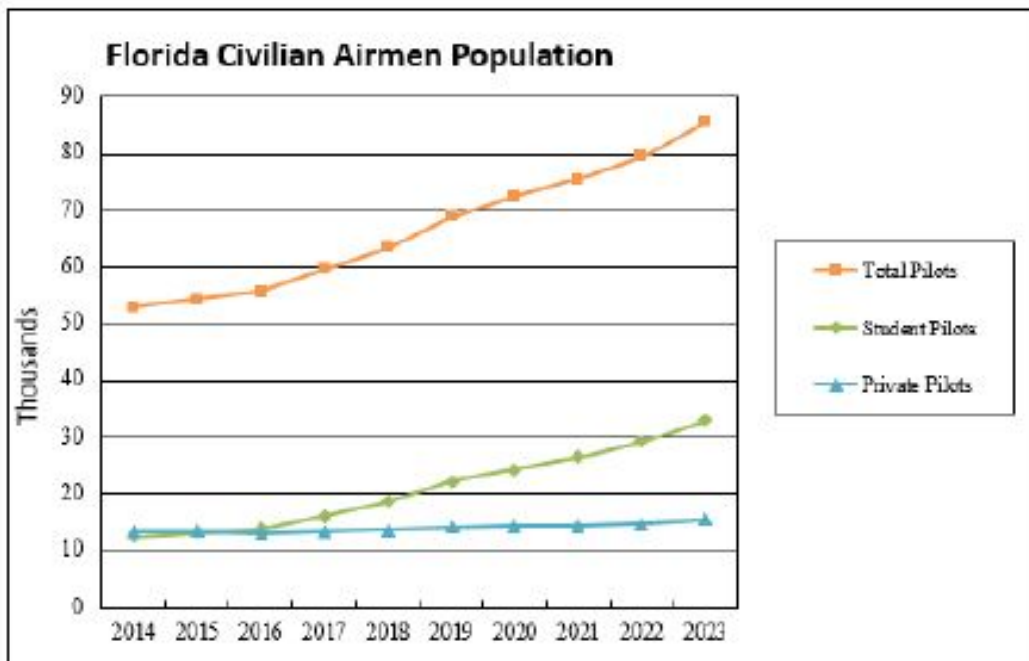


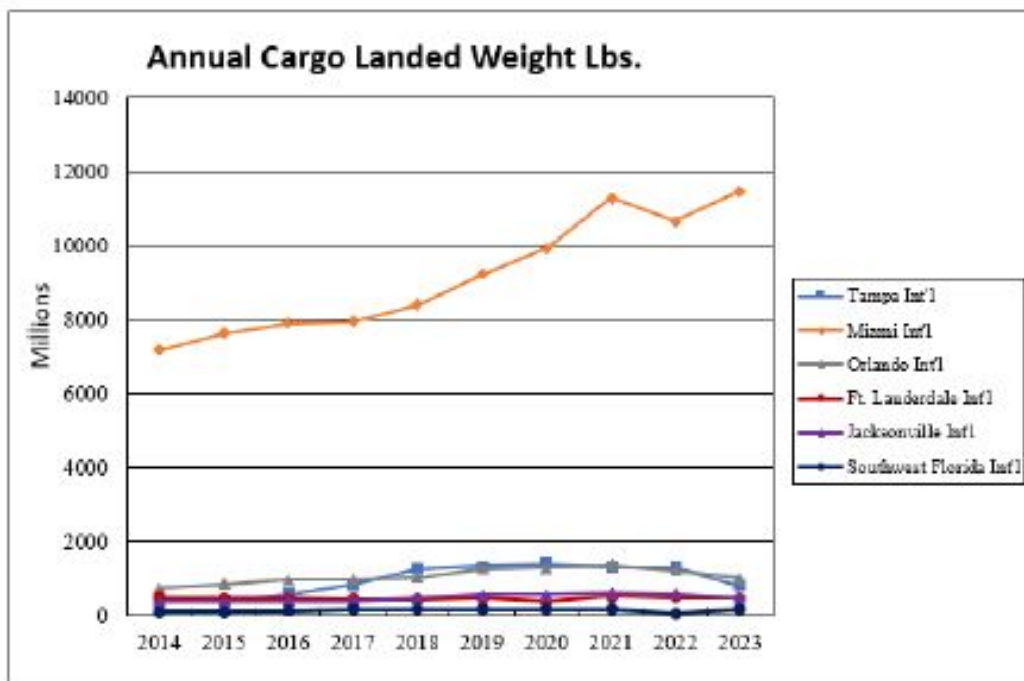
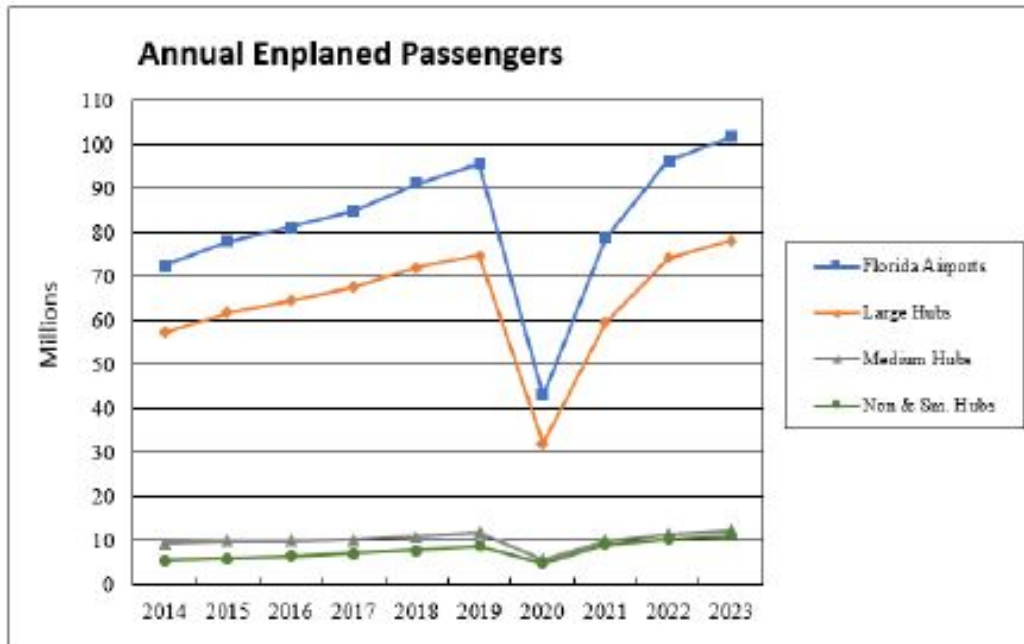












ADDENDUM C – FDOT Airport Summary

SPACE COAST REGIONAL AIRPORT TIX



Airport: Space Coast Regional Airport (TIX)

City: Titusville, Florida

County: Brevard

Sponsor: Titusville Cocoa Airport Authority

Role: General Aviation (Regional)

CFASPP Region: East Central (cfaspp.com)

FDOT District: 5

Website: [Space Coast](http://SpaceCoast.com)



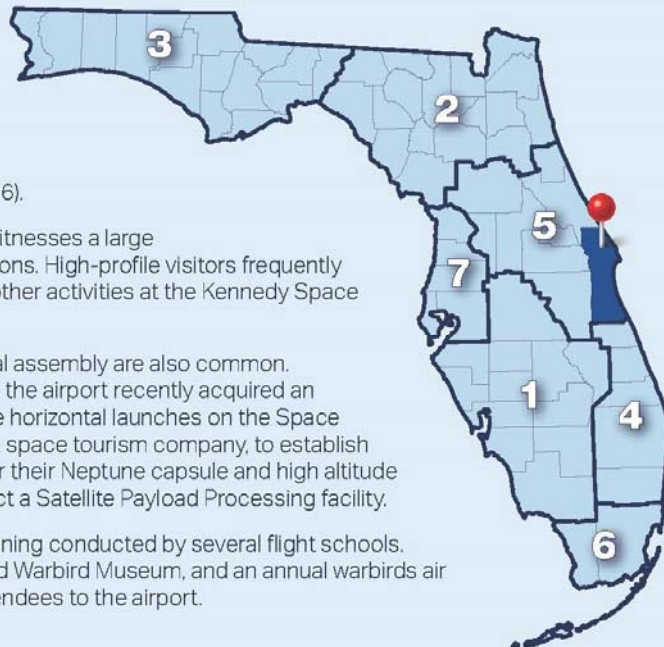
PHOTO SOURCE: GOOGLE - 2022

Space Coast Regional Airport (TIX) is a general aviation (GA) airport located south of Titusville, approximately eight miles west of the Kennedy Space Center. The airport has two intersecting paved runways, the longest of which measures 7,319 feet long by 150 feet wide (Runway 18-36).

As a gateway to the famed Space Coast, TIX witnesses a large number of business/corporate aviation operations. High-profile visitors frequently use the airport to attend space launches and other activities at the Kennedy Space Center and nearby Port Canaveral.

Air cargo operations to deliver satellites for final assembly are also common. Further enhancing its role in the future of flight, the airport recently acquired an FAA spaceport license to accommodate future horizontal launches on the Space Coast. This has attracted Space Perspective, a space tourism company, to establish a manufacturing and assembly facility at TIX for their Neptune capsule and high altitude balloon. 321 Launch also has plans to construct a Satellite Payload Processing facility.

Other aviation activities at TIX include flight training conducted by several flight schools. The airport is home to the Valiant Air Command Warbird Museum, and an annual warbirds air show which attracts approximately 10,000 attendees to the airport.



SPACE COAST REGIONAL AIRPORT

TIX

ECONOMIC IMPACT



\$346M

ECONOMIC IMPACT (OUTPUT)



\$189M

VALUE ADDED



\$113M

PAYROLL



2,589

JOBS

Source: Florida Aviation Economic Impact Study.



GENERAL AVIATION ROLES



FLIGHT
TRAINING



CORPORATE



TOURISM



AERIAL MEDIA



BUSINESS /
RECREATIONAL

Source: FASP 2043 Update.

For more information on airport roles, please refer to the
FAA's National Plan of Integrated Airport Systems (NPIAS).



ACTIVITY FORECASTS

OPERATIONS

123,623

2043

101,859

2023

BASED AIRCRAFT

138

2043

110

2023

Source: FASP 2043 Update.



AIRPORT CHARACTERISTICS

1 FAA-Licensed
Spaceport for
Horizontal Launches

2 Located Near Kennedy
Space Center & Port
Canaveral

3 Home to Valiant Air
Command Warbird
Museum

RUNWAY INFORMATION (2)

Runway 18-36: 7,319' x 150'

Runway 9-27: 5,000' x 100'



Overview of the FASP 2043 Update:

Per Florida statute, the Florida Aviation System Plan (FASP) is periodically updated to summarize the airport and aviation needs in Florida while remaining consistent with the goals of the Florida Transportation Plan (FTP). The FASP 2043 Update focuses on reviewing the applicability of the various goals, objectives, and performance measures to support two primary goals: 1) provide for more efficiency in decision making within FDOT to support funding and development decisions, and 2) provide airports within the system with recommendations for development that support their individual missions while contributing to the overall strength and health of the Florida airport system.



2043

FASP

FLORIDA
AVIATION
SYSTEM
PLAN



FASP 2043 Update

**ADDENDUM D - Qualifications of the Appraisers
ANDREW H. MAGENHEIMER, MAI**

EDUCATION:

Bachelor's Degree, The University of the South, Sewanee, Tennessee, 1986

EXPERIENCE:

Over thirty years in the field of real estate, involved in various forms of consultation, appraisal, economic research and market analysis.

June, 1997 to Present, Principal, Slack, Johnston & Magenheimer, Inc.

August, 1991 to May, 1997, Senior Appraiser, Slack & Johnston, Inc.

February, 1987 to July, 1991, Staff Appraiser, Dixon & Friedman, Inc.

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, environmentally sensitive land, aviation facilities, industrial facilities, shopping centers, office buildings, apartment buildings, residential developments and single-family residences.

Consulting - Economic research, market analysis, feasibility analysis and ad valorem real estate tax assessment appeals pertaining to industrial, commercial and residential properties.

Litigation Support – Appraisals and consulting, including expert testimony, concerning various property types.

AFFILIATIONS:

Licensed Florida Real Estate Broker

Florida State-Certified General Real Estate Appraiser, Certification No. RZ1073

Appraisal Institute Member, MAI, Certificate Number 10133, Continuing Education Completed

2002 President of the South Florida Chapter of the Appraisal Institute

Member of the Miami Board of Realtors

Member of the Florida Keys Board of Realtors

Corporate Member of Florida Airport Council (FAC)

**SLACK
JOHNSTON
MAGENHEIMER**
REAL ESTATE APPRAISERS & CONSULTANTS

**7245 SW 87 AVENUE, SUITE 300
MIAMI, FLORIDA 33173**

APPRAISAL OF REAL PROPERTY

**T-HANGAR BUILDINGS 4, 5 & 6,
ARTHUR DUNN AIRPARK,
TITUSVILLE, BREVARD COUNTY, FLORIDA**

**APPRAISAL REPORT
SJM FILE: 24332**

PREPARED FOR

**MR. KEVIN DAUGHERTY
EXECUTIVE DIRECTOR
TITUSVILLE-COCOA AIRPORT AUTHORITY
51 BRISTOW WAY
TITUSVILLE, FLORIDA 32780**



ANDREW H. MAGENHEIMER, MAI
CERT. GEN. RZ1073

THEODORE W. SLACK, MAI
(1902-1992)
THEODORE C. SLACK, MAI
(1931-2015)
SUE BARRETT SLACK, MAI
(RETIRED)

December 24, 2024

Mr. Kevin Daugherty
Executive Director
Titusville-Cocoa Airport Authority
51 Bristow Way
Titusville, Florida 32780

RE: Appraisal Report – Leasehold Interest in T-hangar Buildings 4, 5 & 6, Arthur Dunn
Airpark (X21), Titusville, Brevard County, Florida
SJM File: 24332

Dear Mr. Daugherty:

At your request, we have prepared an appraisal of the above referenced property as of December 1, 2024, the date of valuation. The subject property represents three t-hangar buildings at the Arthur Dunn Airpark (X21). X21 is a general aviation airport owned and operated by the Titusville-Cocoa Airport Authority (TCAA). The subject property is considered by TCAA to be aeronautical property due to its land use designation, and its location adjacent to the Airport Operating Area (AOA) of X21.

The subject property represents three parcels of aeronautical land that contain a total of 2.34 acres that are improved with three pre-engineered metal t-hangar buildings. X21 T-hangar 4 contains 10 standard t-hangar units and X21 T-hangars 5 and 6 each contain 14 standard t-hangar units, for a total of 38 t-hangar units. The buildings were constructed on leased aeronautical land in 2004. The facility is considered to be in good condition based on its age and level of maintenance provided. As of the date of valuation, the t-hangar units were reportedly subleased to various users. Site improvements include paved areas near the hangars and nominal landscaping.

The subject site was leased by the TCAA to Sheltair Dunn, LLC in November 2001 for an initial term of 30 years that commenced based on beneficial occupancy of buildings. Based on information provided, the lease term commenced on February 1, 2004 and the lease includes one, 10-year renewal options (40-year total term) and provides for the tenant to pay land rent for the duration of the lease, with the ownership of the subject improvements scheduled to revert to TCAA upon completion of the lease. As of the date of valuation, the leasehold interest in the subject property had 19.17 years remaining, including the renewal option. The purpose of this appraisal is to estimate the present value of the remaining leasehold interest (19.17 years) in the subject property through the end of the existing lease term (January 31, 2044), including the renewal option.

Mr. Kevin Daugherty
December 24, 2024

The scope of this analysis is limited to the valuation of the remaining leasehold interest in the subject building improvements (T-hangars 4, 5 & 6) as of a current date of valuation. It is our understanding that the intended use of the appraisal is to assist the TCAA in negotiating the potential purchase of the remaining leasehold interest in the subject property from a willing seller and the intended user of this report is the TCAA.

The appraisal report states our opinion of market value, subject to various assumptions and limiting conditions contained in this appraisal report. The site visit and analyses that form the basis of our valuation have been performed by the undersigned. The appraisal has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation.

Supporting documentation concerning the data, reasoning and analysis are retained in the appraiser's file.

Respectfully submitted,

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

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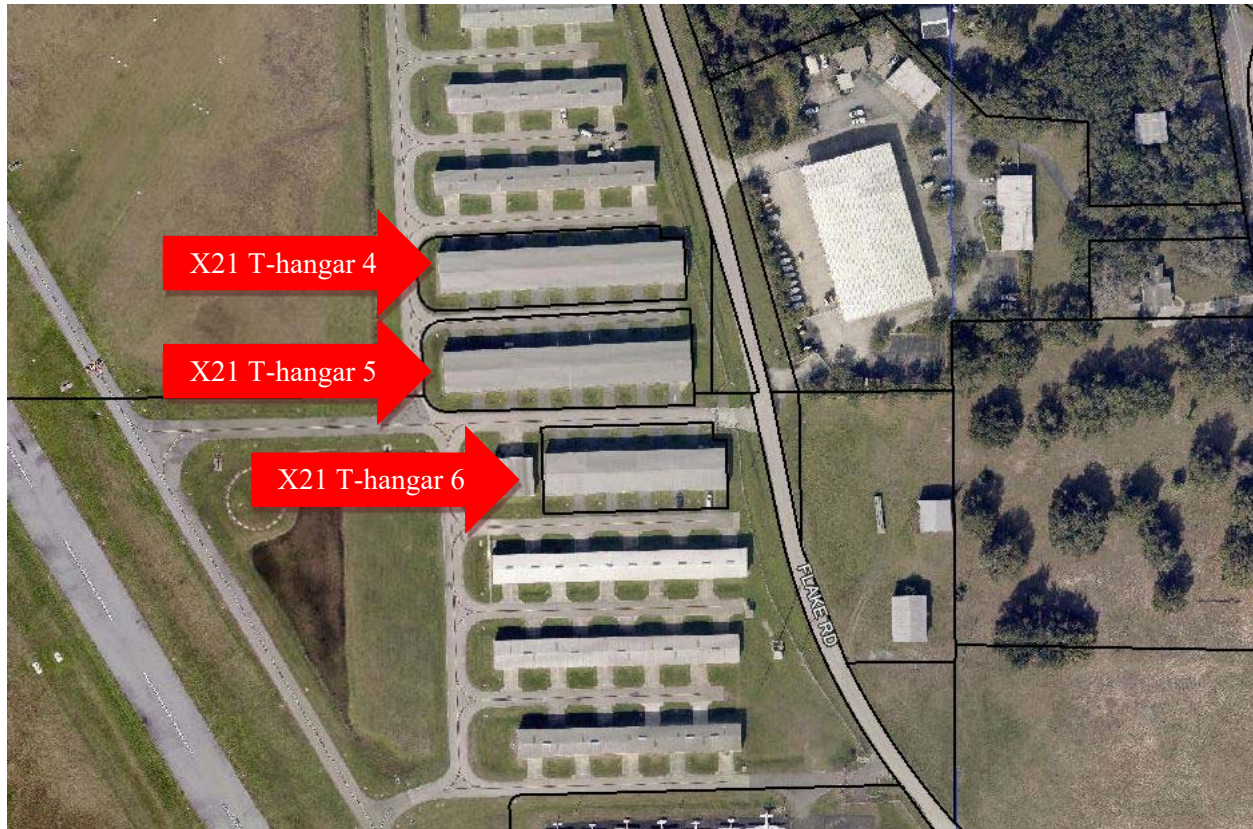
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SUMMARY OF SALIENT FACTS AND CONCLUSIONS

Property Appraised:	T-hangar Buildings 4, 5 & 6, Arthur Dunn Airpark (X21), Titusville, Brevard County, Florida
Brevard County Parcel:	21-35-32-00-28, 29 & 830
Market Value Assessment:	\$1,230,080 (2024)
Real Estate Taxes:	Exempt
Fee Simple Ownership:	Titusville-Cocoa Airport Authority (TCAA) 51 Bristow Way, Titusville, Florida
Leasehold Ownership:	Sheltair Dunn, LLC 319 N. Cypress Lake Drive, Orlando, Florida, 32803
Interest Appraised:	Market value of the remaining leasehold interest (19.17 years) in the facility (through January 31, 2044), including renewal option
Land Use:	Public/Semi-Public; Titusville
Zoning:	Public Use; Titusville
Property Description:	T-hangar Buildings 4, 5 & 6 totaling 38 t-hangar units in good condition, constructed in 2004 on a 2.34-acre leased parcel of aeronautical land adjacent to the X21 AOA.
Current Use:	General Aviation T-hangar Buildings
Highest and Best Use:	Continued Use
Date of Valuation:	December 1, 2024
Date of Site Visit:	November 25, 2024
Date of Report:	December 24, 2024
Value Conclusion - Leasehold Interest Value	\$1,310,000 (1)

Note 1: Market value of the remaining leasehold interest (19.17 years) in X21 Buildings 4, 5 & 6

AERIAL PHOTOGRAPH OF THE SUBJECT LEASEHOLD



Approximate boundaries, not to scale, for illustrative purposes only.

CERTIFICATION

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

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- we have no present or prospective interest in the properties that are the subject of this report and no personal interest with respect to the parties involved.
- we have no bias with respect to the properties that are the subject of this report or to the parties involved with this assignment.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP).
- The undersigned have made a visit to the property that is the subject of this report.
- no one provided real property appraisal assistance to the persons signing this certification.
- the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- we have not performed services regarding the subject property within the prior three years.
- as of the date of this report, Andrew H. Magenheimer has completed the continuing education program for Designated Members of the Appraisal Institute.

SLACK, JOHNSTON & MAGENHEIMER, INC.



Andrew H. Magenheimer, MAI
CERT. GEN. RZ1073

ASSUMPTIONS AND LIMITING CONDITIONS

The appraisal is subject to the following assumptions and limiting conditions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. No legal opinion related to a title search was provided and all existing liens and encumbrances, including deed restrictions and developer agreements, have not been investigated unless otherwise stated. The property is appraised as though free and clear.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others has been gathered from sources deemed to be reliable, however, no warranty is given for its accuracy.
5. All engineering and surveying is assumed to be correct. Any sketches, plats, or drawings included in this report are included to assist the reader in visualizing the property. We have made no survey of the property, and assume no responsibility in connection with such matters.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for unusual soil conditions and no opinion as to these matters is to be inferred or construed from the attached report other than those specifically stated in the report. Unless stated otherwise, the soil conditions of the subject property are assumed to be adequate to support development utilizing conventional construction techniques. We recommend the client obtain an opinion from a competent engineering firm.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

11. Any proposed or partially completed improvements included in this report are assumed to be completed in accordance with approved plans and specifications and in a workmanlike manner.

12. Our estimates of future values were formulated based upon market conditions as of the date of appraisal, considerate of future projections concerning supply and demand. The appraiser has no responsibility for significant events that alter market conditions subsequent to the effective date or dates of appraisal.

13. This study is to be used in whole and not in part. No part of it shall be used in conjunction with any other appraisal. Publication of this report or any portion thereof without the written consent of the appraiser is not permitted.

14. The appraiser, by reason of this report, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.

15. Neither all, nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the appraiser. The use of this report in any public offering or syndication document is specifically prohibited.

16. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them. It is recommended that the client retain an expert in this field, if needed.

17. Disclosure of the contents of this report by the appraiser is controlled by the Appraisal Institute of which one or more signatures of this report is an MAI member and by the Florida Department of Professional Regulation, Division of Appraisal State Certification. The analysis and value conclusions, as well as non-public information about the subject property, are confidential matters and cannot be divulged to any persons other than the party for whom the report is prepared.

Exceptions to this confidentiality provision are requests by committees of the Appraisal Institute or the Florida Department of Professional Regulations for peer review, and subpoenas by any court having jurisdiction to request production of the report.

18. Section 404.056(8) of the Florida Statutes requires that prior to or at the time a rental agreement or contract for any building is executed, the following disclosure statement must be issued:

"RADON GAS: is a naturally occurring gas that, when it has accumulated in a building in sufficient quantities, may present risk to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in building in Florida. Additional information regarding radon and radon testing may be obtained from your public health unit."

Appraisal Assumptions

19. The date of valuation is December 1, 2024 that coincides with the monthly anniversary of the lease. The property was visited on November 25, 2024. We have assumed the property remains in the same condition as of the date of valuation as of the date of the property visit.

20. This appraisal assumed the subject property is free and clear of any environmental contamination associated with past and present airport use. The analysis of environmental contamination is beyond our expertise and Phase I and II environmental audits are recommended for the property. The existence of environmental contamination could have a significant affect on the value conclusions within this report.

Acceptance or use of this report constitutes acceptance of the preceding conditions.

OWNERSHIP, LEGAL DESCRIPTION AND HISTORY OF THE PROPERTY

Ownership and History

Aurthur Dunn Airpark (X21) is owned and operated by the Titusville-Cocoa Airport Authority (TCAA), 51 Bristow Way, Titusville, Florida. It is our understanding all of the land, as well as most of the pavement and building improvements at the airport are owned by TCAA. The subject property, with the exception of the subject property that was developed by Sheltair Dunn, LLC beginning in 2001 under a long-term development lease. It should be clearly understood that the identification of the ownership and title analysis was not performed and is beyond the scope of this assignment. The following is a brief summary of the property history.

As noted, the subject site was leased by the TCAA to Sheltair Dunn, LLC in November 2001 for an initial term of 30 years that commenced based on beneficial occupancy of buildings. Based on information provided, the lease term commenced on February 1, 2004 and the lease includes one, 10-year renewal options (40-year total term) and provides for the tenant to pay land rent for the duration of the lease, with the ownership of the subject improvements scheduled to revert to TCAA upon completion of the lease. As of the date of valuation the leasehold interest in the subject property had 19.17 years remaining, including the renewal option. The purpose of this appraisal is to estimate the present value of the remaining leasehold interest (19.17 years) in the subject property through the end of the existing lease term (January 31, 2044), including the renewal option.

As noted, T-hangars 4, 5 and 6 include a total of 38 standard T-hangar units and construction was completed in 2004 by Sheltair. Sheltair subleases the units the various tenants and provided a rent roll of the units that indicates they typically charge monthly rent, plus a common area maintenance (CAM) fee on most units that average about of about \$80 per month. Typical units contain about 1,114 square feet and monthly rent ranges from \$400 to \$465, with most units at \$465 per month. The nested design of the T-hangar building provides for the end units to have 'bonus' storage areas and each contains about 1,668 square feet and the monthly rent ranges from \$570 to \$600. The variation in rental rates was based on several factors including the age of the tenancy, as well as multiple units included in single agreements and was considered in our analysis.

Legal Description

The following legal description is from a survey provided by the tenant.

The Legal Description of the Premises is as follows:

A portion of the Arthur Dunn Airport, lying in and being a part of the East $\frac{1}{2}$ of Section 32, Township 21 South, Range 35 East, City of Titusville, Brevard County, Florida, described as follows:

Hanger No. 2, (A.K.A. Hanger T-6) Lease Parcel: (0.84 Acres more or less)

Commencing at the Southeast corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 32, and run thence North 87° 36' 53" West along the South line of the aforesaid North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 32, a distance of 660.55 feet; thence run on a bearing of "North" along the Southerly prolongation of the physical centerline of Taxiway "F" a distance of 1,436.64 feet to a point of intersection with the physical centerline of Taxiway "F-5", (as presently located), thence run South 89° 50' 44" East along said physical centerline, 42.39 feet; thence North 00° 09' 16" East 10.50 feet to a point lying on the approximate North edge of pavement of said Taxiway "F-5", (as presently located), and the Point of Beginning of the lands herein described; the aforesaid Point of Beginning also being a point of curvature of a circular curve concaved Northeasterly, having a radius of 30.00 feet; thence run in a Northwesterly direction along the arc of said curve, and along the approximate edge of pavement of Taxiway "F-5" and Taxiway "F", through a central angle of 89° 50' 44" a distance of 47.04 feet to the point of tangency; thence continue along the approximate East edge of pavement of said Taxiway "F" and the Southerly edge of pavement of Taxiway "F-6" the following three courses and distances; thence run on a bearing of "North" along said Easterly edge of pavement of Taxiway "F" a distance of 46.85 feet to the point of curvature of a circular curve concaved Southeasterly, having a radius of 30.00 feet; thence run in a Northeasterly direction along the arc of said curve through a central angle of 90° 04' 25" a distance of 47.16 feet to the point of tangency; thence run South 89° 55' 35" East along the aforesaid approximate South edge of pavement of Taxiway "F-6" a distance of 289.01 feet; thence South 00° 09' 16" West 16.56 feet; thence South 89° 50' 44" East 30.00 feet; thence South 00° 09' 16" West 90.70 feet to a point lying on the Easterly prolongation of the approximate North edge of pavement of said Taxiway "F-5"; thence North 89° 50' 44" West along said Easterly prolongation and along said approximate North edge of pavement of the aforesaid Taxiway "F-5" a distance of 318.84 feet to the Point of Beginning.

and

Hanger No. 3, (A.K.A. Hanger T-5) Lease Parcel: (0.89 Acres more or less)

Commencing at the Southeast corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 32, and run thence North 87° 36' 53" West along the South line of the aforesaid North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 32, a distance of 660.55 feet; thence run on a bearing of "North" along the Southerly prolongation of the physical centerline of Taxiway "F" a distance of 1,306.58 feet to a point of intersection with the physical centerline of Taxiway "C", thence run South 89° 39' 21" East along said physical centerline, 41.51 feet; thence North 01° 20' 39" East 12.50 feet to a point lying on the approximate North edge of pavement of said Taxiway "C", and the Point of Beginning of the lands herein described; the aforesaid Point of Beginning also being a point of curvature of a circular curve concaved Northeasterly, having a radius of 30.00 feet; thence run in a Northwesterly direction along the arc of said curve, and along the approximate edge of pavement of Taxiway "C" and Taxiway "F", through a central angle of 88° 39' 21" a distance of 46.42 feet to the point of tangency; thence continue along the approximate East edge of pavement of said Taxiway "F" and the Southerly edge of pavement of Taxiway "F-5" the following three courses and distances; thence run on a bearing of "North" along said Easterly edge of pavement of Taxiway "F" a distance of 47.94 feet to the point of curvature of a circular curve concaved Southeasterly, having a radius of 30.00 feet; thence run in a Northeasterly direction along the arc of said curve through a central angle of 90° 09' 16" a distance of 47.20 feet to the point of tangency; thence run South 89° 50' 44" East along the aforesaid approximate South edge of pavement of Taxiway "F-5" (as presently located), a distance of 322.00 feet; thence South 00° 09' 16" West 114.63 feet to the approximate Northerly edge of pavement of the previously mentioned Taxiway "C"; thence North 88° 39' 21" West along said Northerly edge of pavement 322.54 feet to the Point of Beginning.

A portion of the Arthur Dunn Airport, lying in and being a part of the East $\frac{1}{2}$ of Section 32, Township 21 South, Range 35 East, City of Titusville, Brevard County, Florida, described as follows:

Hanger No. 5, (A.K.A. Hanger T-4) Lease Parcel: (0.61 Acres more or less)

Commencing at the Southeast corner of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 32, and run thence North 87° 36' 53" West along the South line of the aforesaid North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 32, a distance of 660.55 feet; thence run on a bearing of "North" along the Southerly prolongation of the physical centerline of Taxiway "F" a distance of 1,170.87 feet to a point of intersection with the Westerly prolongation of the physical centerline of Taxiway "F-4", thence run South 89° 49' 46" East along said Westerly prolongation 155.94 feet; thence North 01° 20' 39" East 10.50 feet to the approximate Northerly edge of pavement of said Taxiway "F-4", and the Point of Beginning of the lands herein described; thence continue North 01° 20' 39" East 112.20 feet to the approximate South edge of pavement of Taxiway "C"; thence South 88° 39' 21" East along said approximate South edge of pavement a distance of 223.00 feet; thence South 01° 20' 39" West 22.47 feet; thence South 88° 39' 21" East 20.00 feet; thence South 01° 20' 39" West 88.99 feet to the aforesaid approximate North edge of pavement of said Taxiway "F-4"; thence North 88° 49' 46" West along said approximate North edge of pavement 243.00 feet to the Point of Beginning.

AIRPORT HISTORY

The Aurthur Dunn Airpark (X21) is owned and operated by the Titusville-Cocoa Airport Authority (TCAA). TCAA is a quasi-governmental body that oversees the operation of the three airports within Brevard County, Florida including Arthur Dunn (X21) and Space Coast Regional (TIX) in Titusville and Merritt Island (COI) located in unincorporated Brevard County. TCAA was formed by the cities of Titusville and Cocoa in 1963 to “service the local, commercial and corporate aviation needs as well as stimulate economic growth in the community”. TCAA is comprised of a seven-member appointed board. TCAA oversees operation of the airports and may levy ad valorem taxes on all properties within the district. The following is a brief summary of the airport history of X21.

The present day Aurthur Dunn Airpark was originally developed in the early 1920’s as part of the navigational aid system for U.S. Air Mail service that operated light stations along designated mail routes that provided pilots with nighttime visual navigation. The light station also functioned as a lighted emergency landing field with grass landing strips. In the late 1920’s, Brevard County developed the Arthur Dunn Airpark adjacent to the light station based on a lease between neighboring property owners. In 1947, Brevard County purchased the land from the adjacent property owners. Brevard County operated the airport as a based for the mosquito control operation until the mid 1960’s. In the 1960’s the runway and taxiways were paved and many of the original airport buildings were constructed. Also, during the 1960’s most of the operating area was leased to a group of aircraft owners that continued the operation of the airfield. In the late 1960’s the airport was transferred to TCAA. Arthur Dunn Airpark operates as a general aviation airport and caters to local pilots and homebuilt aircraft, as well as the base for parachute jumping and ultra-light aircraft enthusiasts in the area.

PURPOSE, INTENDED USE/USER AND DATE OF THE APPRAISAL

The purpose of this appraisal is to estimate the market value of the remaining leasehold interest (19.17 years) in the subject property through the end of the existing lease term (January 31, 2044), including the renewal option. It is our understanding that the intended use of the appraisal is to assist the client (TCAA) in negotiating the potential purchase of the subject property from a willing seller (Sheltair) and the intended user of this report is the TCAA. Additional intended users include TCAA’s advisors, the Florida Department of Transportation (FDOT) and the Federal Aviation Administration (FAA). There are no other intended uses or intended users of this report. The date of valuation is December 1, 2024, and the date of the report is December 24, 2024. It should be noted that the date of valuation coincides with the monthly anniversary of the lease. The property was visited on November 25, 2024. We have assumed the property remains in the same condition as of the date of valuation as of the date of the property visit.

SCOPE OF THE APPRAISAL

The scope of this appraisal is based on the purpose of the appraisal that is limited to an estimate the market value of the remaining leasehold interest (19.17 years) in the subject property through the end of the existing lease term (January 31, 2044), including the renewal option. As noted, the subject building improvements are located on leased aeronautical land. It was noted the scope of the appraisal is limited to the market value of the subject property as described herein and excludes the underlying land.

The scope of this appraisal report includes an analysis of the subject property and its surrounding environment in order to estimate its highest and best use and market value of the subject property as outlined herein. We have made a recent visit to the property and reviewed factual data concerning its condition. The data reviewed included available building plans, lease information and other items provided by Sheltair and the TCAA including the airport master plan.

The scope of our analysis is limited to estimates of market value of the subject property, excluding the underlying land. This appraisal included an estimation of the highest and best use of the property. This analysis included a visit to the property, gathering information concerning potential uses of the property, as well as a review of market conditions for the property. The subject property is considered by TCAA to be aeronautical property due to its land use designation, as well as its location adjacent to the X21 Airport Operating Area (AOA). As will be discussed, the highest and best use of the property is for its continued aeronautical use.

After concluding the highest and best use, the valuation methods are considered. The appraisal process includes three basic approaches to value, including the income, sales comparison and cost approaches. The application of these approaches is determined by the type of property being appraised, as well as the scope of the valuation assignment. Based on our analysis, the income approach to value was considered most relevant to this assignment. Based on our research, sales of leasehold interests in aeronautical buildings are scarce and typically include non-realty items that make it difficult to separate the real estate interest from the machinery, equipment and going concern, etc. interests. We could not find sales of leaseholds of similar aeronautical buildings and, as such, we did not utilize the sales comparison approach in the valuation of the subject property.

We have used the income approach to estimate the present value of the right to receive income (i.e., net operating income) from the subject property for the remainder of the lease term (19.17 years). The subject improvements are currently rented to various tenants. In this analysis, we have relied on the current rents for the subject building improvements. In this analysis, income and expenses attributable to the subject property were estimated to derive an indication of net operating income over the remaining term of the lease that was then discounted to a single present value.

The final step in the appraisal process is the reconciliation of the appraisal methods used. The quantity and quality of the data used and the reliability of their value indications are the basis for the value conclusions.

DEFINITION OF VALUE AND INTEREST APPRAISED

The Uniform Standards of Professional Appraisal Practice (2024 Edition) defines **Market Value** as “a type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of rights), as of a certain date, under specific conditions set forth in the value definition that is identified by the appraiser as applicable in an appraisal.”

We have relied on the definition of **Market Value** as "the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”

(Federal Register 77472, Volume 75, No. 237, December 10, 2010).

Other pertinent definitions from the Dictionary of Real Estate Appraisal, Seventh Edition, are as follows:

Fee Simple Estate is the “absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”

Leased Fee Interest is “the ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.”

Leasehold Interest is the "interest held by a lessee (tenant) through a lease transferring the rights of use and occupancy for a stated term under certain conditions."

Market Rent is "the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs)."

Present Value is the "value of a future payment or series of future payments discounted to the current date or to time period zero."

Exposure Time is "the estimated length of time the property interest being appraised would have been offered in the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal."

Marketing Time is "an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisals."

EXPOSURE AND MARKETING TIME

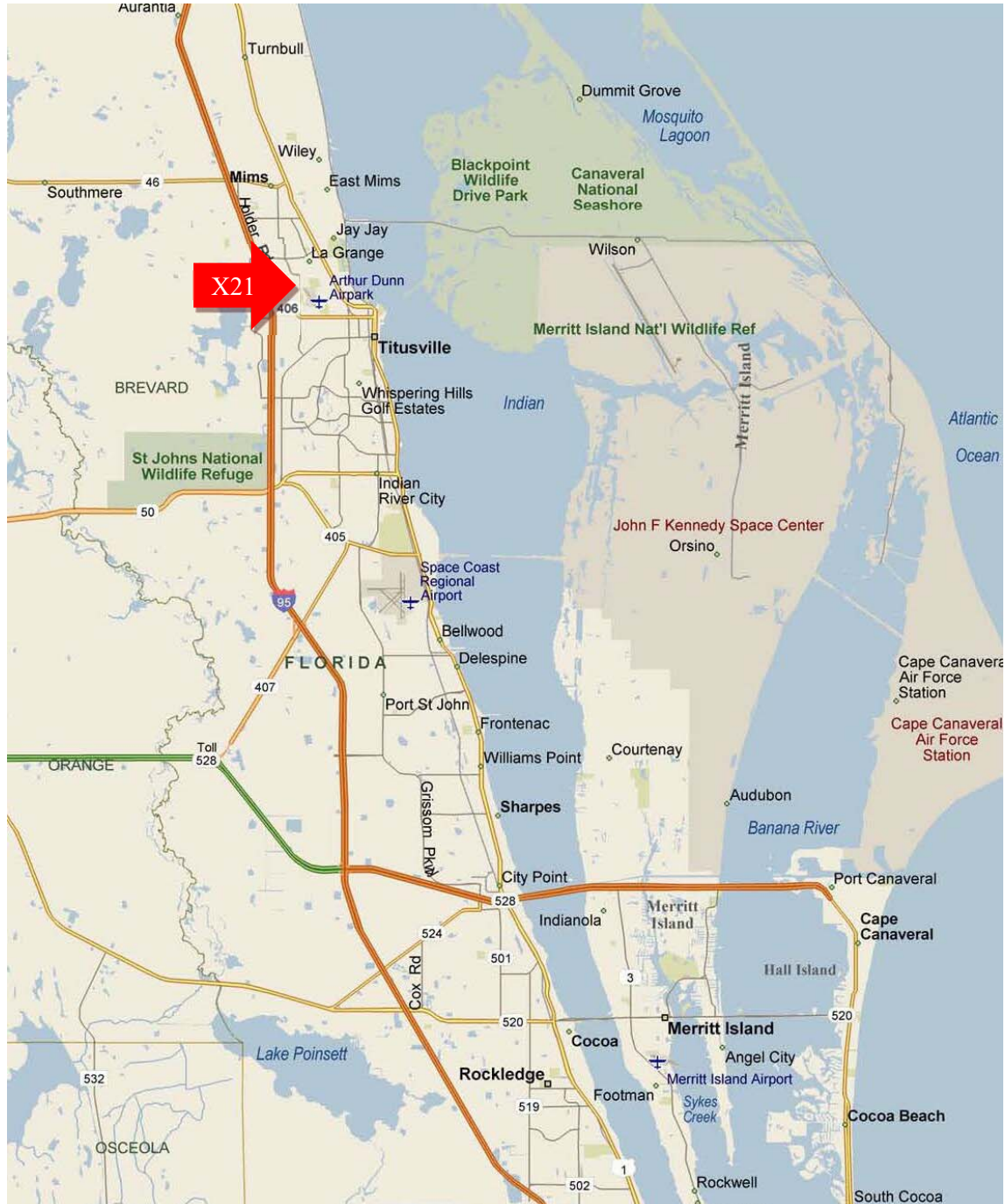
Exposure and marketing times are the typical periods of time necessary to expose and actively market the subject property on the open market to achieve a sale at a price consistent with the market value estimate and on terms consistent with the definition of market value recited herein. The length of time is a function of several factors including price, terms, investment quality and exposure to a given market. Exposure time is the hypothetical period immediately preceding the effective date of the appraisal and marketing time is the period immediately after the effective date of the appraisal.

A review of current market activity for aeronautical properties in Florida was performed in order to estimate an exposure time for the subject property. Based on our research, the demand for aeronautical properties indicates an exposure/marketing times are typically less than one year, if the property is priced realistically.

Based on our research, we have estimated a typical exposure period for the subject property was estimated to be up to 12 months. We have further estimated a marketing time of up to 12 months.

AREA DISCUSSION

Arthur Dunn Airpark (X21) is located in Titusville in northern Brevard County, Florida. The recipients of this report are familiar with the Titusville and Brevard County areas and this area discussion is, therefore, limited.



AIRPORT OVERVIEW

The aviation industry in central Florida is characterized by numerous general aviation airports with regional commercial airports located in the vicinity of area population concentrations. The regional commercial airports in the area include Orlando International, Tampa International, Southwest Florida Regional, Sarasota-Bradenton, Orlando-Sanford, St. Petersburg-Clearwater, Daytona Beach and Melbourne Regional Airports. According to a review of the FAA's "Airport Activity Statistics of Certified Route Air Carriers" the airport hub classifications, the local regional commercial airports are as follows:

<u>Airport</u>	<u>CY 2023 Enplanements</u>	<u>Hub Size</u>
Orlando Int'l	24,803,177	Large
Tampa Int'l	11,677,560	Large
Southwest Florida Int'l	4,963,261	Medium
Sarasota-Bradenton Int'l	2,144,700	Small
Orlando Sanford Int'l	1,446,878	Small
St. Petersburg-Clearwater Int'l	1,246,317	Small
Punta Gorda	949,732	Small
Melbourne Int'l	363,837	Non
Daytona Beach Int'l	348,837	Non

A review of the "Florida Aviation System Plan 2035" (FASP) prepared by the Florida Department of Transportation (FDOT) and Federal Aviation Administration (FAA), indicates X21 is designated as a community airport. The FASP identifies 131 public airports in Florida. The FASP classifies airports within Florida into two general categories: Commercial Service and General Aviation. Within Florida, the FASP identifies 19 commercial airports and 112 community (general aviation) airports. The FASP divides the state into nine regions and identifies the airports within each region according to the use classification. X21 is classified as a "general aviation" airport within the East Central Florida Metropolitan region, which includes Brevard, Flagler, Lake, Orange, Osceola, Seminole and Volusia Counties. The FASP identifies the public use airports in the East Central Florida region as follows:

Commercial Airports

Daytona Beach Int'l
Melbourne Int'l
Orlando Int'l
Orlando-Sanford Int'l

Community Airports

Arthur Dunn Airpark
Deland Munic.
Flagler Exec.
Kissimmee Gateway
Leesburg Int'l
Merritt Island
New Smyrna Bch. Munic.

Community Airports

Orlando Exec.
Ormond Beach Exec.
Pierson Munic.
Space Coast Reg'l
Tavares Seaplane Base
Umatilla Munic.
Valkaria



The FASP is useful in establishing the universe of airports within the state and segregating the airports based on use characteristics. The FASP helps identify the airports which are similar in terms of geographic location and use. In our analysis, we researched rental rates for aeronautical properties at airports within Florida, concentrating on airports in the central eastern section of Florida. Please refer to the valuation section which follows.

Florida Aviation System Plan 2025

1. Apalachicola Municipal	46. Mid Florida Air Service	89. Sebring Regional
2. St. George Island	47. Bob Lee Flight Strip	90. Lakeland Linder Regional
3. Quincy Municipal	48. DeLand Municipal- Sidney H Taylor Field	91. Buchanan
4. Pensacola Regional	49. Flagler County	92. Marco Island
5. Costlin	50. Daytona Beach International	93. Page Field
6. Eglin AFB (Okaloosa)	51. Miami Heliport	94. Immokalee Regional Airport
7. Bob Sikes	52. Massey Ranch Airpark	95. La Belle Municipal
8. Calhoun County	53. Orlando Sanford International	96. Naples Municipal
9. Tallahassee Regional	54. Bob White Field	97. Airglades
10. Tri-County	55. Orlando/Apopka Country	98. Charlotte County
11. Tallahassee Commercial	56. Pierson Municipal	99. Shell Creek Airpark
12. Marianna Municipal	57. Ormond Beach Municipal	100. Southwest Florida International
13. Peter Prince Field	58. Leesburg Regional	101. Airport Manatee
14. Carrabelle-Thompson	59. Executive	102. Everglades Airpark
15. DeFuniak Springs	60. Kissimmee Gateway	103. Venice Municipal
16. Ft Walton Beach	61. Valkaria	104. Sarasota/Bradenton International
17. Coastal	62. Orlando International	105. Okeechobee County
18. Panama City-Bay County International	63. Melbourne International	106. Sebastian Municipal
19. Wakulla County	64. Merritt Island	107. St. Lucie County International
20. Ferguson	65. New Smyrna Beach Municipal	108. Witham Field
21. Destin-Ft Walton Beach	66. Arthur Dunn Airpark	109. New Hibiscus Airpark
22. Williston Municipal	67. Space Coast Regional	110. Vero Beach Municipal
23. Crystal River	68. Umatilla Municipal	111. Indiantown
24. Cross City	69. Zephyrhills Municipal	112. Palm Beach County Glades
25. Ames Field	70. Peter O Knight	113. Fort Lauderdale Executive
26. Flying Ten	71. Tampa North Aero Park	114. Downtown Ft Lauderdale
27. Perry-Foley	72. Tampa International	115. Dade-Collier Training and Transition
28. George T. Lewis	73. Clearwater Airpark	116. Boca Raton
29. Dunnellon/Marion County	74. Albert Whitted	117. Fort Lauderdale-Hollywood International
30. Inverness	75. St. Petersburg-Clearwater International	118. Opa-locka
31. Gainesville Regional	76. Pilot Country	119. Miami International
32. Lake City Municipal	77. Plant City Municipal	120. Opa-locka West
33. Suwannee County	78. Vandenberg	121. Key West International
34. Ocala International - Jim Taylor Field	79. Hernando County	122. North Perry
35. Rudy's	80. South Lakeland	123. Pompano Beach Airpark
36. Palatka Municipal Lt. Kay Larkin	81. Jack Brown's SPB	124. Kendall-Tamiami Executive
37. Keystone Airpark	82. Avon Park Executive	125. North Palm Beach Co. General Aviation
38. Hilliard Airpark	83. Wauchula Municipal	126. Palm Beach International
39. Craig Municipal	84. Chalet Suzanne Air Strip	127. Palm Beach County Park
40. Fernandina Beach		

Arthur Dunn Airpark (X21)

Arthur Dunn Airpark (X21) is located in northern Brevard County and is operated by the TCAA. X21 is a general aviation airport without a tower or scheduled airline transportation. The airport property contains approximately 138 acres and includes both aviation and non-aviation activities. The aviation areas are referred to as the Airport Operating Area (AOA) and include general aviation hangar buildings, T-hangars, fuel farm, runways, ramp and supporting areas. X21 has a zoning classification of P (Public Use) and a land use designation of "Public/Semi Public 0.2 FAR". Please refer to the airport site plan. X21 has two runways in a 04-22, 15-33 configuration. The following is a summary of the X21 airport facilities:

Location

Street Reference: In the vicinity of Airport Road and North Williams Avenue, north of Garden Street and West of Old Dixie Highway, Titusville, Brevard County, Florida

Coordinates: N 28°37.35'
W 80°50.12'

Elevation: 30 feet

Airport Facilities

Hours of Operation: 1300-0100Z

Control Tower: No

U.S. Customs: No

Fire/Rescue Station: No

FAA Part 139 Certificated: No

Runways: 04-22 1,805' x 100' Turf
15-33 2,961' x 70' Asphalt

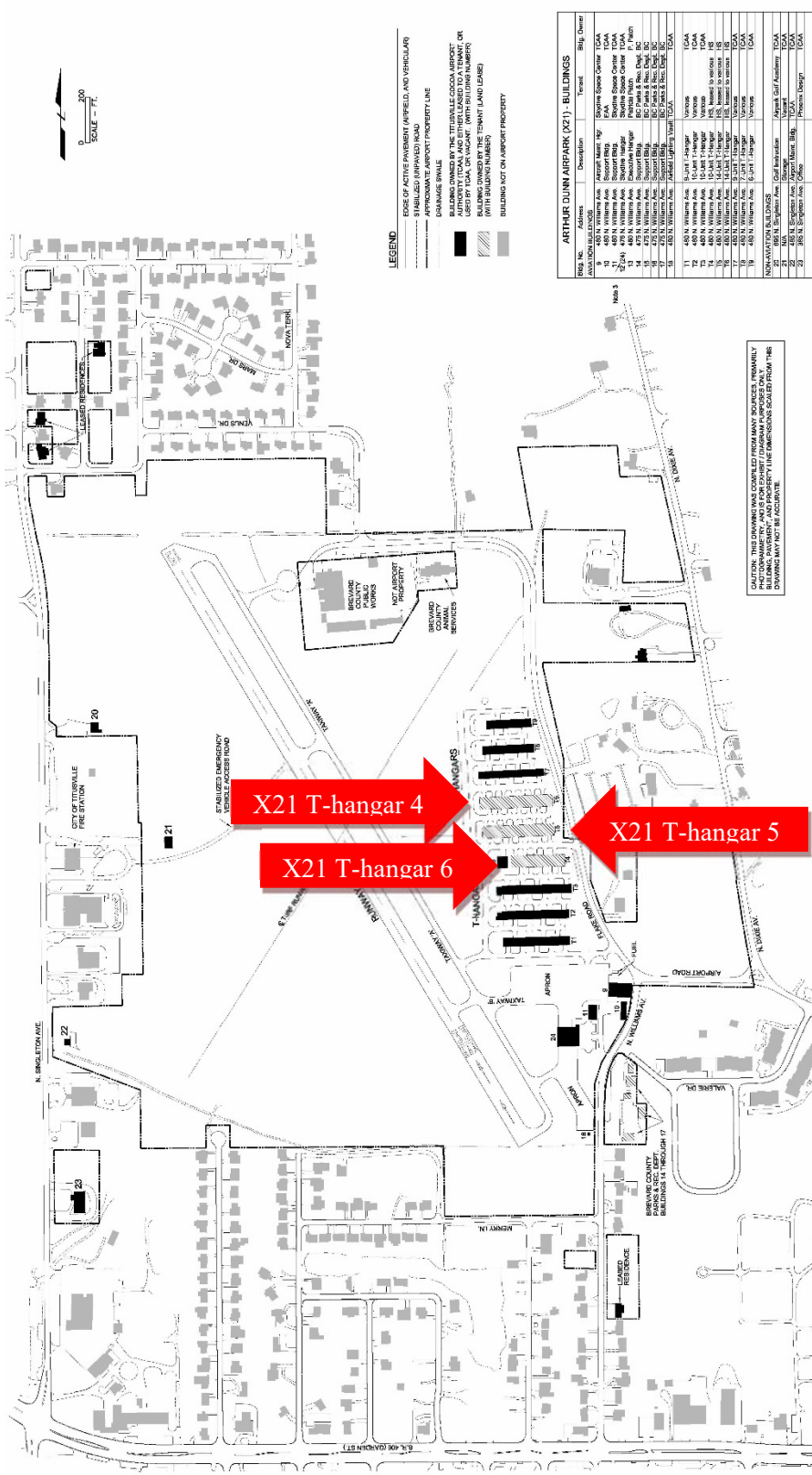
Approaches: Vortac, GPS

Lighting: Beacon
Runway 15-33 – MIRL, PAPI

ILS-	Instrument Landing System
NDB-	Non-Directional Beacon
MIRL-	Medium Intensity Runway Lighting
HIRL-	High Intensity Runway Lighting
PAPI-	Precision Approach Path Indicator
MALSR-	Medium Intensity Approach Lighting System with Runway Alignment Indicator Lights
VASI-	Visual Approach Slope Indicator
REIL-	Runway End Identifier Lights
S-	Single Wheel Landing Gear Runway Bearing Capacity (__,000 lbs.)
D-	Dual Wheel Landing Gear Runway Bearing Capacity (__,000 lbs.)
T-	Twin Wheel Landing Gear Runway Bearing Capacity (__,000 lbs.)
DT-	Dual-Tandem Landing Gear Runway Bearing Capacity (__,000 lbs.)

Arthur Dunn Airpark (X21)





ARTHUR DUNN AIRPARK (X21) - BUILDINGS

Bldg. No.	Address	Description	Tenant	Bldg. Owner
1	445 N. Wilson Ave.	Aircraft Maint. Bldg.	Stinson Space Center	TCOA
2	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
3	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
4	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
5	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
6	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
7	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
8	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
9	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
10	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
11	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
12	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
13	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
14	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
15	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
16	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
17	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
18	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
19	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
20	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
21	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
22	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
23	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
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25	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
26	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
27	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
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36	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
37	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
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43	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
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45	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
46	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
47	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
48	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
49	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA
50	445 N. Wilson Ave.	Support Bldg.	Stinson Space Center	TCOA

NOTES:
 1. TCOA IN TITUSVILLE HAS NO RECORDS THAT THE BLDG. IS LISTED BY THE AIRPORT.
 2. NUMBER OF UNITS IN T-HANGAR IS THE NUMBER OF FULL-SIZE UNITS.
 3. POWER BUILDING NUMBER IS IN PARENTHESES.
 4. BEAUFORT COUNTY WORKS
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**ARTHUR DUNN AIRPARK (X21)
TITUSVILLE, FL
BUILDINGS**

PREPARED BY: AIRPORT ADMINISTRATION CO., INC.
 REV. 4 8-20-2024

X21 serves as a general aviation and recreational airport within the Titusville area of Brevard County, with periodic parachute jumping, ultra-light aircraft and experimental aircraft activity. The following is a summary of the activity information for X21. According to the airport manager regarding the activity at X21, the total and general aviation operations are as follows:

X21 & Florida Airport Operations								
Year	Total Operations				GA Operations			
	X21	% change	Florida	% change	X21	% change	Florida	% change
2019	40,000		6,776,734		40,000		4,465,894	
2020	40,000	0.0%	5,809,924	-14.3%	40,000	0.0%	4,024,719	-9.9%
2021	30,000	-25.0%	5,857,123	0.8%	30,000	-25.0%	3,921,467	-2.6%
2022	24,000	-20.0%	6,487,755	10.8%	24,000	-20.0%	4,238,052	8.1%
2023	40,000	66.7%	7,173,732	10.6%	40,000	66.7%	4,795,645	13.2%

According to the airport manager, the total general aviation fuel flowage at X21 is as follows:

X21 Fuel Flowage				
Year	AvGas	JetA	Total	% Change
2019	0	32,000	32,000	
2020	0	16,000	16,000	-50.0%
2021	0	31,900	31,900	99.4%
2022	8,500	32,500	41,000	28.5%
2023	8,500	24,000	32,500	-20.7%

According to the airport manager, the total based aircraft at X21 is as follows:

X21 Based Aircraft						
Year	SE	ME	Jet	Helo	Based Aircraft	% Change
2019	88	4	0	0	92	
2020	88	4	0	0	92	0.0%
2021	65	2	0	0	67	-27.2%
2022	64	4	0	0	68	1.5%
2023	66	2	0	1	69	1.5%

According to the FAA's "U.S. Civilian Airmen Statistics", the population of licensed pilots in Brevard County is as follows:

Brevard County Airmen Population

Year	Total	Commercial	Airline Transport	Student	Private
2019	3,292	522	1,199	858	686
2020	3,439	564	1,226	1,763	704
2021	3,646	615	1,245	1,039	720
2022	3,879	654	1,257	1,171	769
2023	4,154	693	1,299	1,327	807

Florida Airmen Population

Year	Total	Commercial	Airline Transport	Student	Private
2019	68,914	11,691	20,223	22,225	14,186
2020	72,499	12,565	20,572	24,357	14,401
2021	75,551	12,841	21,175	26,531	14,338
2022	79,403	12,847	21,959	29,293	14,665
2023	85,597	13,212	23,185	33,038	15,507

The above statistics of airport activity at X21 were analyzed in terms of the business trends in the area, as well as for purposes of comparison with other airports and were considered on our analysis.

DESCRIPTION OF THE PROPERTY

The subject property represents three parcels of aeronautical land that contain total of 2.34 acres that are improved with three pre-engineered metal t-hangar buildings located at the Arthur Dunn Airpark, Titusville, Brevard County, Florida. X21 T-hangar 4 contains 10 standard t-hangar units and X21 T-hangars 5 and 6 contain 14 standard t-hangar units, for a total of 38 t-hangar units. Based on the information provided, typical T-hangar units contain 1,114 square feet and have sliding hangar doors that provide openings of 41' wide and 12' high. The nested design of the building provides for the four end units in each building that have bonus storage areas, with a total unit area of 1,668 square feet. The following is a unit breakdown of X21 T-hangars 4, 5 & 6:

X21 T-Hangar 4

Unit	T-Hangar SF	Strg SF	Total SF
4-A	1,114	554	1,668
4-B	1,114		1,114
4-C	1,114		1,114
4-D	1,114		1,114
4-E	1,114	554	1,668
4-F	1,114		1,114
4-G	1,114		1,114
4-H	1,114		1,114
4-I	1,114		1,114
4-J	1,114	554	1,668
	11,140	1,662	12,802

X21 T-Hangar 5

Unit	T-Hangar SF	Strg SF	Total SF
5-A	1,114	554	1,668
5-B	1,114		1,114
5-C	1,114		1,114
5-D	1,114		1,114
5-E	1,114		1,114
5-F	1,114		1,114
5-G	1,114	554	1,668
5-H	1,114	554	1,668
5-I	1,114		1,114
5-J	1,114		1,114
5-K	1,114		1,114
5-L	1,114		1,114
5-M	1,114		1,114
5-N	1,114	554	1,668
	15,596	2,216	17,812

X21 T-Hangar 6

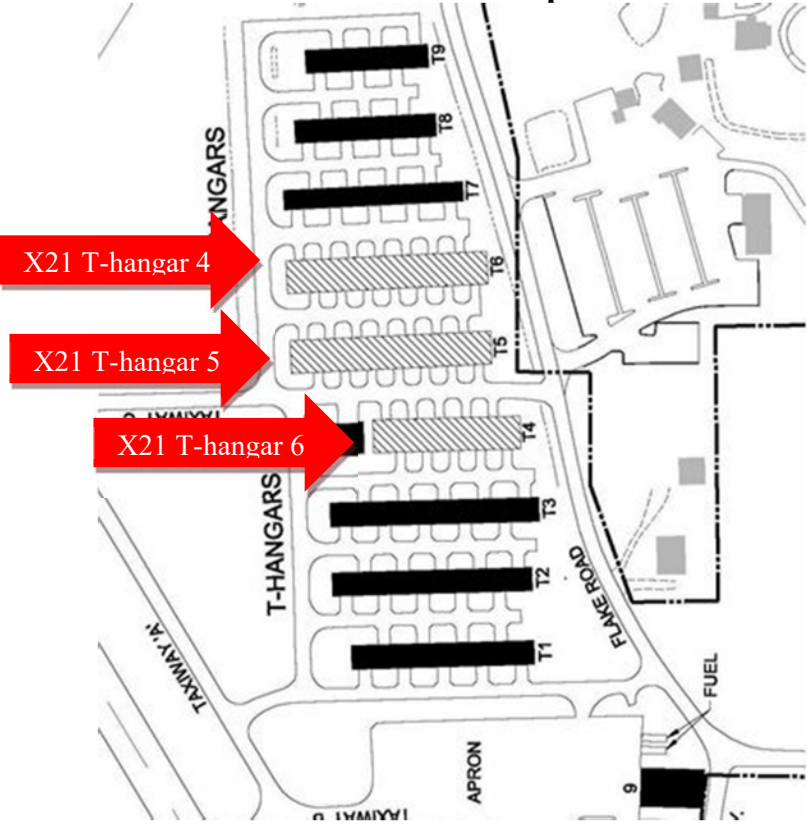
Unit	T-Hangar SF	Strg SF	Total SF
6-A	1,114	554	1,668
6-B	1,114		1,114
6-C	1,114		1,114
6-D	1,114		1,114
6-E	1,114		1,114
6-F	1,114		1,114
6-G	1,114	554	1,668
6-H	1,114	554	1,668
6-I	1,114		1,114
6-J	1,114		1,114
6-K	1,114		1,114
6-L	1,114		1,114
6-M	1,114		1,114
6-N	1,114	554	1,668
	15,596	2,216	17,812

The buildings were constructed on leased aeronautical land in 2004 and appear to be good condition based on their age and level of maintenance provided. Site improvements include paved areas near the hangars and nominal landscaping. Photographs of the buildings are included in the addenda.

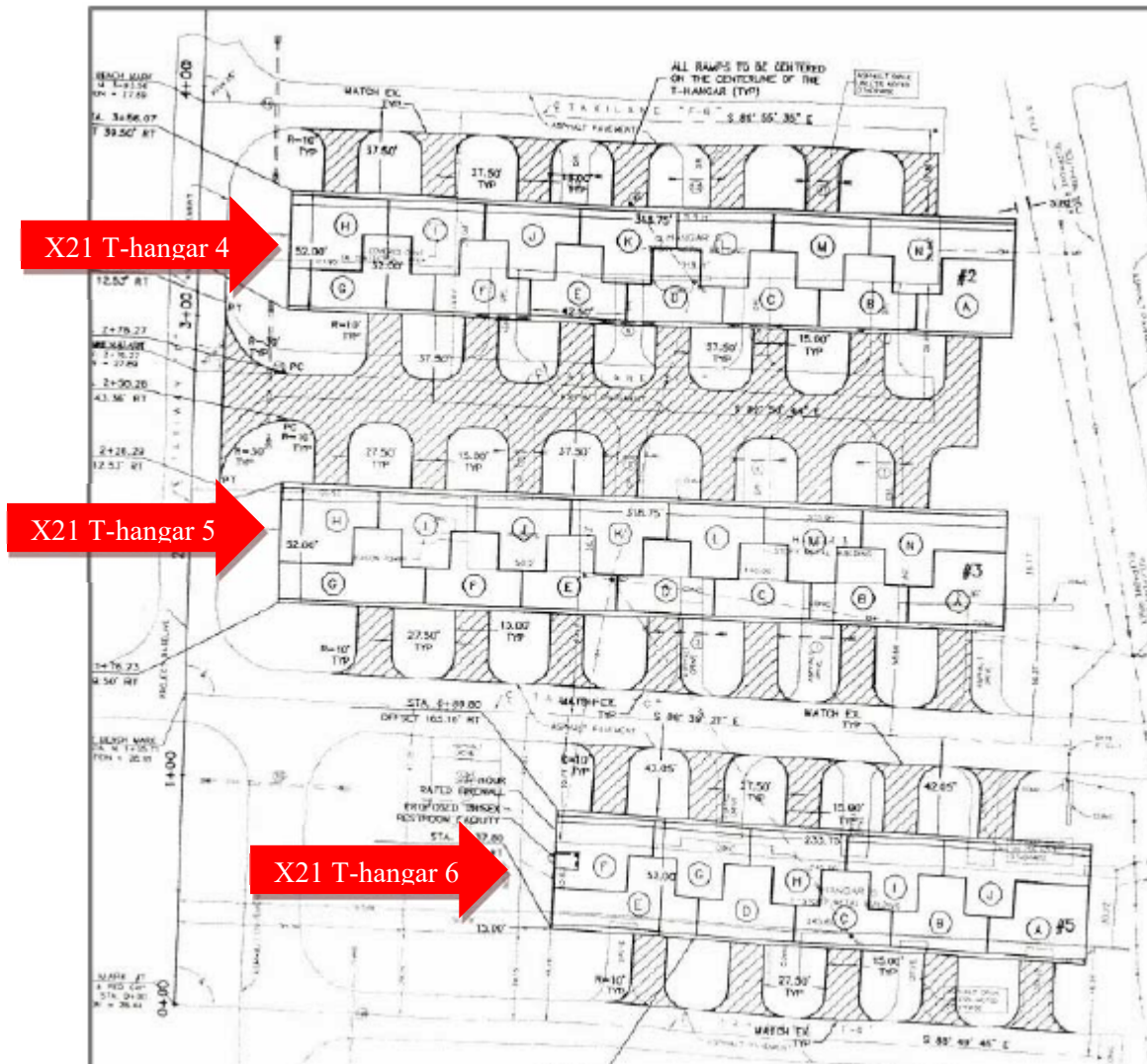
Aerial Photograph



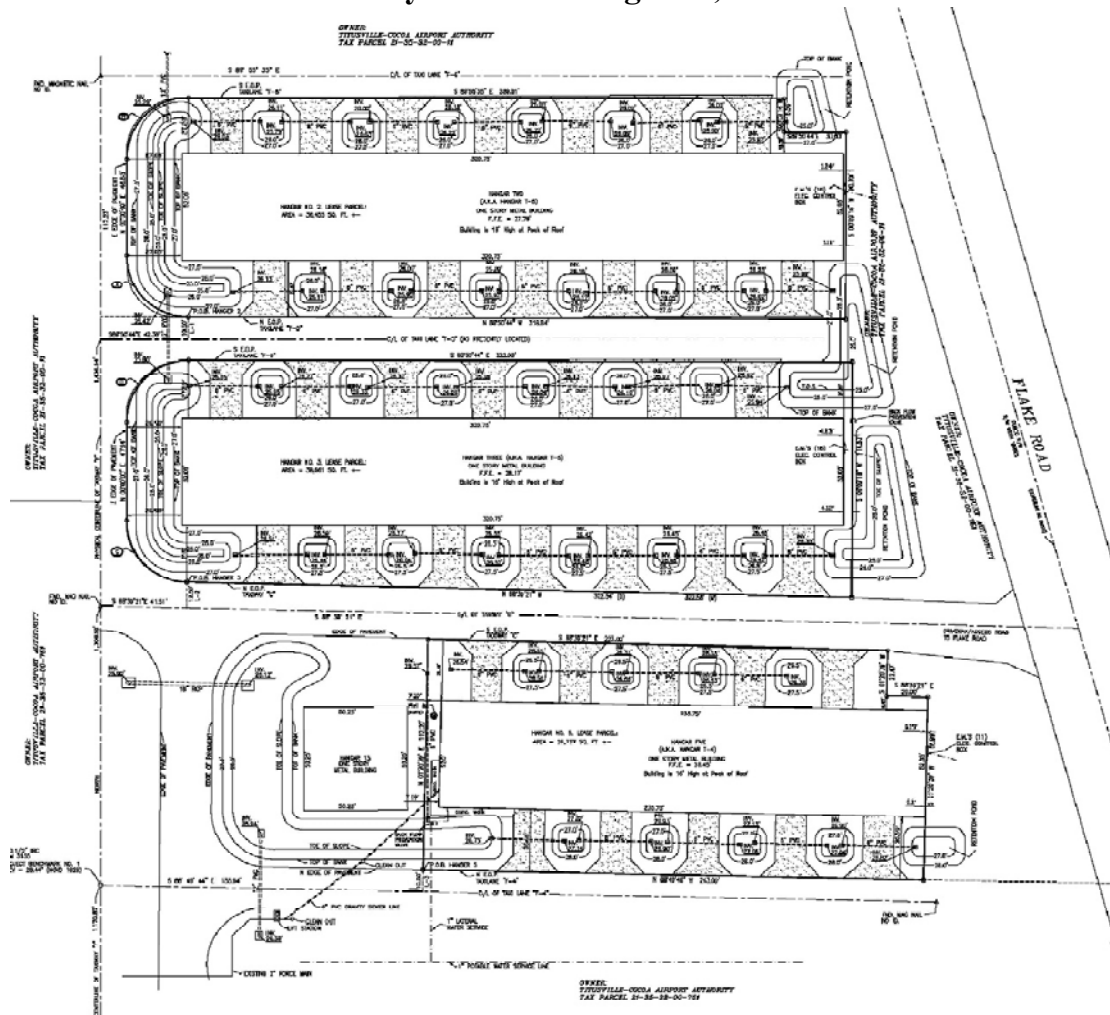
Location Map



Floor Plan



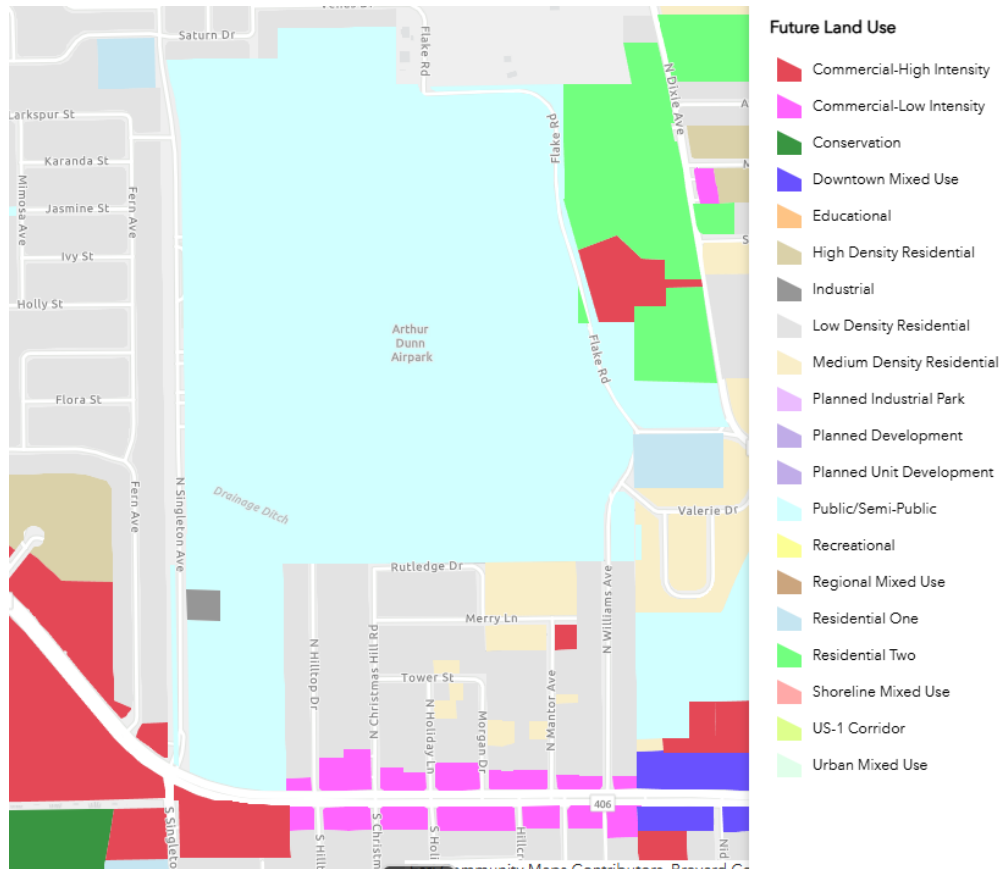
Survey – X21 T-Hangars 4, 5 & 6



ZONING AND LAND USE

The subject property is located within the City of Titusville and the site has a land use of Public/Semi-Public and is zoned Public Use. The subject improvements are purpose-built improvements that appear to be a permitted and conforming use.

Land Use/Zoning Map



REAL ESTATE TAXES

The Brevard County Property Appraiser's (BCPA) office has assessed the subject property in 2024 as follows:

X21 T-hangar 4

BCPA Parcel Number:	21-35-32-00-830
Total Assessment:	\$309,560
Real Estate Taxes:	Exempt

X21 T-hangar 5

BCPA Parcel Number:	21-35-32-00-29
Total Assessment:	\$404,290
Real Estate Taxes:	Exempt

X21 T-hangar 6

BCPA Parcel Number:	21-35-32-00-28
Total Assessment:	\$516,230
Real Estate Taxes:	Exempt

HIGHEST AND BEST USE

The following definitions are from The Dictionary of Real Estate Appraisal (Seventh Edition) published by the Appraisal Institute:

Highest and Best Use is the “reasonably probable use of property that results in the highest value. The four criteria that highest and best use must meet are legal permissibility, physical possibility, financial feasibility and maximum profitability.”

Highest and Best Use As Though Vacant is the use “among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements.”

In estimating highest and best use, there are essentially four stages of analysis:

1. Possible Use - normally dictated by physical constraints.
2. Permissible Use - what use would be permitted in consideration of existing zoning and other applicable laws governing the use of the property, as well as any deed restrictions that may exist.
3. Feasible Use - which possible and permissible uses will produce a net return to the owner of the site.
4. Maximally Productive - among feasible uses, which use will produce the highest net return to the land.

To meet the tests of highest and best use, the use cannot be speculative or conjectural. It must be legal and probable. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time. The highest and best use of the land is for aeronautical development within the constraints of land use, zoning, minimum standards, the Airport Layout Plan (ALP) and market demand. Based on the foregoing, our highest and best use analysis is limited to the subject property, as improved.

Highest and Best Use As Improved is “the use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from new improvement would more than offset the cost of demolishing the existing building and constructing a new one.”

The highest and best use conclusion, as improved, is dictated largely by the existing improvements on the property. The subject property represents three T-hangar buildings (X21 T-hangars 4, 5 & 6) that were constructed in 2004. The subject buildings are considered to be in good condition. The design of the subject facility is considered functional based on the operating capacity of the airport.

Since the existing improvements have been constructed on the site, the property becomes an integral unit consisting of both land and improvements. The integration of land and buildings relates to the concept of the marginal dollar. This theory implies that the existing use will continue as long as the property, as improved, has a market value exceeding the market value of the site, as vacant.

The highest and best use, as improved, considers the use that should be made of a property as it exists. Existing improvements should be renovated or retained as long as they contribute to the total value of the property, or until the return from the new improvement would more than offset the costs of demolishing those existing. Based on our analysis, the highest and best use of the subject buildings, as improved is for their continued use for the foreseeable future.

SUMMARY OF ANALYSIS AND VALUATION

There are three generally recognized approaches considered in the valuation of real property. They include the income, sales comparison, and cost approaches. It should be noted that the appropriateness and reliability of each approach depends on the type of property being appraised, the age and condition of the improvements, if any, and the availability and quality of market data available for analysis.

The income approach provides an indication of value of a property based on a conversion of anticipated benefits (net income). The method of conversion is called capitalization and is either based on a single year's income (direct capitalization), or several years' income (discounted cash flow). The sales comparison approach provides an indication of value based on sales of properties considered similar. The cost approach provides an indication of the value of a property represented by the reproduction cost of the existing improvements, less accrued depreciation, to which is added the land value.

As noted, the subject building improvements are located on a parcel of leased aeronautical land and the scope of the appraisal is limited to the present value of the remaining leasehold interest in the subject property through the end of the existing lease term (through January 31, 2044), including the renewal option. As such, for valuation purposes, Sheltair's leasehold interest in T-hangars 4, 5 & 6 is equal to the present value of the right to receive income (net operating income) for the continued use of the property for the next 19.17 years.

Based on the appraisal problem, the cost and sales comparison approaches are not considered pertinent. In the subsequent valuation section, we will use the income approach to value to estimate the present value of the remaining leasehold interest in T-hangars 4, 5 & 6. The appraisal process is concluded by a review and re-examination of each of the approaches to value employed. Consideration is given to the type and reliability of data used and the applicability of each approach. These factors are reconciled and a final value estimate is made.

INCOME APPROACH

The income approach is a procedure where anticipated economic benefits to be derived from property ownership are converted into a value estimate through a capitalization process. The principle of "anticipation" underlying this approach acknowledges that an investor recognizes a relationship between income and asset value. The process of estimating the anticipated economic benefits from a particular property requires the estimation of potential income, expense and net operating income, as well as the selection of the most appropriate capitalization method.

To estimate the market value of the remaining leasehold interest in the subject property as of the date of valuation (19.17 years) via application of the income approach to value, we have estimated the present value of the future net income stream that could be derived from the continued rental use of the subject property.

In this analysis, the net income from the rental operation of the subject property is converted into a single present value through discounting. Discounting is a procedure based upon the assumption that benefits received in the future are worth less than the same benefits received today. In other words, an investor must be compensated for foregoing present benefits, such as the immediate use of capital and instead, accepting future benefits.

In order to arrive at the current value of the future income stream, the periodic income is multiplied by a factor that is the equivalent of the present worth of \$1 per period (in this analysis, annual payments) compounded at the applicable interest rate for the number of periods remaining in the lease term. These present worth of \$1 factors are precomputed in numerous financial tables or can be computed with a calculator or with financial computer programs.

In this appraisal, the potential gross income (PGI) is estimated, as well as vacancy and collection loss, operating expenses, and net operating income (NOI). The vacancy and collection loss is deducted from the PGI and results in effective gross income (EGI). Operating expenses are deducted from the effective gross income resulting in net operating income. The net operating income is then forecast for the remaining term of the lease and then discounted to a present value. The analysis of the net operating income will be followed by the present value analysis.

Potential Gross Income

The subject property consists of T-hangars 4, 5 and 6 that includes a total of 38 standard T-hangar units and construction was completed in 2004 by Sheltair. Sheltair subleases the units the various tenants and provided a rent roll of the units that indicates they typically charge monthly rent, plus a common area maintenance (CAM) fee on most units that average about of about \$80 per month. Typical units contain about 1,114 square feet and monthly rent ranges from \$400 to \$465, with most units at \$465 per month. The nested design of the T-hangar building provides for the end units to have ‘bonus’ storage areas and each contains about 1,668 square feet and the monthly rent ranges from \$570 to \$600. The variation in rental rates was based on several factors including the age of the tenancy, as well as multiple units included in single agreements and was considered in our analysis. Based on our analysis, the current rents are considered to represent market rent as of the date of valuation and was relied upon in our estimate of the market value of the remaining leasehold interest in the subject property.

For valuation purposes, we have estimated the potential gross income attributable to the

subject property based on an average monthly rent of \$465/month for the standard T-hangar units and \$600/month for the T-hangar units with bonus area, as well as the CAM fee, as follows:

Potential Gross Income

	Units	\$/Unit/Mo	\$/Mo	\$/Mo Total
T-hangar 4 - Standard Units	7	\$465	\$3,255	
T-hangar 4 - Units with Bonus Area	3	\$600	\$1,800	
CAM Fee	10	\$80	\$800	
T-hangar 4 Subtotal				\$5,855
T-hangar 5 - Standard Units	10	\$465	\$4,650	
T-hangar 5 - Units with Bonus Area	4	\$600	\$2,400	
CAM Fee	14	\$80	\$1,120	
T-hangar 5 Subtotal				\$8,170
T-hangar 6 - Standard Units	10	\$465	\$4,650	
T-hangar 6 - Units with Bonus Area	4	\$600	\$2,400	
CAM Fee	14	\$80	\$1,120	
T-hangar 6 Subtotal				\$8,170
Grand Total Monthly Potential Gross Income				\$22,195
Total Annual Potential Gross Income				\$266,340

Vacancy & Collection Loss

The investor is primarily interested in the cash revenues that an income property is likely to produce annually over a specified period of time, rather than what it could produce if it were always 100% occupied and all the tenants were actually paying their rent and expense reimbursement in full and on time. It is normally a prudent practice to expect some income loss, either in the form of actual vacancy, turnover, non-payment or slow payment of rent by tenants. Based on our analysis, T-hangar facilities similar to the subject property are in high demand in the area and at X21, we have estimated a stabilized vacancy rate and collection loss of 5.0% for the subject property.

Effective Gross Income

Effective gross income is equal to potential gross income less vacancy and collection loss and we have estimated the stabilized effective gross income as follows:

Potential Gross Income:	\$266,340
Less Vacancy & Collection Loss (5%):	<u>-\$ 13,320</u>
Effective Gross Income:	\$253,020

Operating Expenses

In our analysis of the subject property based on its net income generating potential, we reviewed available expense information for the subject property and estimated other operating expenses based on industry standards, as well as conversations with building owners and property managers. The estimated annual operating expenses are summarized as follows:

Real Estate Taxes: The subject property as part of the X21 AOA is not currently assessed for ad valorem real estate taxes by Brevard County.

Insurance: We have estimated the property insurance for the subject property at \$1.00 per square foot or \$48,430.

Management/General Administrative: Based on the size of the property and complexity of management, we have estimated a management/general and administrative expense for the subject property at 5% of effective gross income, or \$12,650.

Repairs & Maintenance: We have estimated repairs and maintenance expenses applicable to the sublessor at \$36,320 (\$0.75 per square foot).

Land Lease Rent: As noted, Sheltair developed the subject property on aeronautical land leased for the TCAA. The current land rent for the subject parcel is \$19,990.

Utilities: The T-hangar units are individually metered for electricity and sublessor utility expenses are limited to water and building lighting. We have estimated utility expenses applicable to the sublessor at \$4,840 (\$0.10 per square foot).

Miscellaneous Expenses: We have estimated miscellaneous expenses at \$12,110 (\$0.25 per square foot).

Total Operating Expenses

Based on the above information, the operating expenses attributable to the subject property have been estimated at \$134,340, or \$2.77 per square foot. The operating expenses reflect an expense ratio of 53.1% of the effective gross income.

Net Operating Income (NOI)

The net operating income is the anticipated net income that remains after all operating expenses are deducted from effective gross income (potential gross income less vacancy

and collection loss). We have estimated the current stabilized net operating income for the subject property at \$118,680, as follows:

Stabilized Income/Expense Statement			
X21 T-hangar 4, 5 & 6	Bldg SF	\$/SF	\$/Yr 1
Potential Gross Income	48,426	\$5.50	\$266,340
Vacancy/Collection Loss	5.0%		\$13,320
Effective Gross Income			\$253,020
Operating Expenses			
Real Estate Taxes		\$0.00	\$0
Insurance		\$1.00	\$48,430
Management/G&A	5.0%	\$0.26	\$12,650
Land Rent		\$0.41	\$19,990
Repairs & Maintenance		\$0.75	\$36,320
Utilities		\$0.10	\$4,840
Miscellaneous		\$0.25	\$12,110
Total Operating Expenses		\$2.77	\$134,340
Net Operating Income			\$118,680

Leasehold Interest Analysis

We have estimated current (Year 1) net operating income at \$118,680 in the previous section. As noted, there is approximately 19.17 years remaining on the Sheltair lease agreement. To estimate the present value of the net operating income for the remaining term of the lease, the net operating income has been forecasted to increase annually. It should be noted the lease provides for the ownership of the subject improvements to revert to TCAA at the end of the lease. As such, our analysis of the remaining leasehold interest in the subject property has not considered the reversionary value, if any, of the subject property at the end of the lease.

Based on current market conditions, it is virtually impossible to predict with any degree of certainty what property values will do for the remaining lease term. Nevertheless, it is a necessary part of the valuation process to project the future net operating income for the subject property. To project the future net operating income, we have reviewed changes in the Consumer Price Index (CPI). Over the past 10 years, the CPI has increased annually about 3%. We have projected the future net operating income for the subject property to increase annually at 3%.

In order to discount the future net income streams to present value, consideration was given to the interest rate which would attract investors to this type of property. Analysis of comparable sales of leased fee interests is preferable to estimate the applicable rate on the basis of what rate of return the buyer anticipated at the time of purchase. Unfortunately, such sales seldom occur, and when they do, often there are extenuating circumstances

which affect the purchase price.

To estimate the appropriate discount rate applicable to the projected net income that could be derived from the continued rental operation of the subject property, we have reviewed national real estate investor surveys. The RealtyRates 3rd Quarter 2024 investor survey reflected average discount rates of 7.83% and 20.40% for special purpose properties, with an overall average of 11.05%. Based on the above analysis, and taking into consideration the overall condition of the subject facility, as well as the limited supply and significant demand for hangars at X21, we have estimated an annual discount rate to be applied to the projected net operating income from the continued rental operation of the subject property to be 9.0%

To estimate the present value of the remaining leasehold interest in the subject property, we have projected future net operating income based on an annual increase of 3% and discounted the annual rental payments to a present value by multiplying the annual income by an annual present value factor. The annual present value factors are equivalent of the present worth of \$1 per period (in this analysis, annual payments) compounded at the applicable interest rate for the number of periods remaining in the lease term. These present worth of \$1 factors are precomputed in numerous financial tables or can be computed with a calculator or with financial computer programs. Based on the above analysis, we have estimated the present value of the leasehold interest in the subject property at \$1,310,000 as follows:

Leasehold Extension Present Value Analysis					
X21 T-hangar 4, 5 & 6			Net	Present	
Year	Start	End	Operating	Value	Present
			Income	Factor	Value/Year
1	12/1/24	11/30/25	\$118,680	0.9174312	\$108,881
2	12/1/25	11/30/26	\$122,240	0.8416800	\$102,887
3	12/1/26	11/30/27	\$125,910	0.7721835	\$97,226
4	12/1/27	11/30/28	\$129,690	0.7084252	\$91,876
5	12/1/28	11/30/29	\$133,580	0.6499314	\$86,818
6	12/1/29	11/30/30	\$137,590	0.5962673	\$82,040
7	12/1/30	11/30/31	\$141,720	0.5470342	\$77,526
8	12/1/31	11/30/32	\$145,970	0.5018663	\$73,257
9	12/1/32	11/30/33	\$150,350	0.4604278	\$69,225
10	12/1/33	11/30/34	\$154,860	0.4224108	\$65,415
11	12/1/34	11/30/35	\$159,510	0.3875329	\$61,815
12	12/1/35	11/30/36	\$164,300	0.3555347	\$58,414
13	12/1/36	11/30/37	\$169,230	0.3261786	\$55,199
14	12/1/37	11/30/38	\$174,310	0.2992465	\$52,162
15	12/1/38	11/30/39	\$179,540	0.2745380	\$49,291
16	12/1/39	11/30/40	\$184,930	0.2518698	\$46,578
17	12/1/40	11/30/41	\$190,480	0.2310732	\$44,015
18	12/1/41	11/30/42	\$196,190	0.2119937	\$41,591
19	12/1/42	11/30/43	\$202,080	0.1944897	\$39,302
20 (1)	12/1/43	1/31/44	\$35,380	0.1784309	\$6,313
Estimate Present Value at			9.0%		\$1,309,831

Note 1: Partial year

RECONCILIATION

The process of reconciliation reviews and reexamines the scope of the appraisal assignment, as well as the approaches to value that were used. Our analysis began with defining the scope of the assignment. The appraisal includes an estimate of present value of the remaining leasehold interest (19.17 years) in the subject property (T-hangars 4, 5 & 6) through the end of the existing lease term (through January 31, 2044). As noted, the facility is located on leased aeronautical land. As such, the scope of this analysis is limited to the valuation of the remaining leasehold interest in the subject building improvements.

In this analysis, we have used the income approach to value to estimate the present value of the leasehold interest in the subject property based on the existing lease. As noted, the cost and sales comparison approaches were not considered pertinent.

In our analysis, the income approach considered the present value of the potential net operating income that could be derived for the continued rental usage of the property over the remaining lease terms. The current net operating income was estimated based on current sublease rent and expenses were estimated based on typical expenses for a property of this type. The net operating income was projected for the remainder of the lease term (19.17 years) and included anticipated annual increases of 3%. The present value of the net operating income over the remaining lease term was estimated using annual present value factors. Based on the circumstances and quality of the data, this approach is considered a reliable indicator of value and we have estimated the present value of the remaining leasehold interest in the subject property as of December 1, 2024 to be \$1,310,000.

ADDENDUM A - Photographs of the Subject Property



X21 T-hangar 4 - View of east and north elevations.



X21 T-hangar 4 - View of west and south elevations.



X21 T-hangar 5 – View of east and north elevations.



X21 T-hangar 5 – View of west and south elevations.



X21 T-hangar 6 – View of east and north elevations.



X21 T-hangar 6 – View of west and south elevations.

ADDENDUM B – Slack, Johnston & Magenheimer Airport Survey

General Aviation Airport Summary - Florida 2023-24

Prepared By: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida 33173
305-670-2111 E-mail: Info@SJMiami.com Website: SJMiami.com

Slack, Johnston & Magenheimer's 2023-24 general aviation airport survey included 59 airports within Florida. The 2023-24 survey was our 29th state-wide survey and included a variety of general aviation, non-hub commercial and small hub commercial airports with greater than +/-25,000 annual operations. Large and medium hub commercial airports were excluded from the survey. The primary focus of our survey was rental rates and charges for airport properties, including both aviation and non-aviation uses. The airports have been classified based on location, physical size, annual operations, based aircraft and fuel flowage. The data collected includes statistical information, as well as rates and charges information, for various types of airport properties.

The rates and charges information included fuel flowage fees, ground, pavement and building rental rates, as well as a variety of aircraft storage rates including tie downs, T, shade, corporate and community hangars. The survey results have been summarized into selected categories and represent only a portion of the information gathered. It should be noted this is a summary of our survey findings and this survey should not solely be relied upon to establish rates at any airport.

Slack, Johnston & Magenheimer's 2023-24 survey continues to indicate that, although there is a wide variation in geographic locations and non-aviation property values throughout the state, there is less of a variation in rental rates and charges for various components at general aviation airports. In our summary, the state was divided into four geographic regions. A list of the airports surveyed, as well as a state map delineating the geographic divisions is attached.

The scope of our survey included email questionnaires and personal telephone interviews with airport managers and fixed base operators (FBOs) conducted during mid-2024. In addition, our analysis included a review of several secondary general aviation data sources. These included the Florida Department of Transportation Florida Aviation System Plan and Federal Aviation Administration reports, as well as various third party data sources.

In our continued effort to monitor the condition of the general aviation industry in Florida, we have reviewed the general aviation activity levels including airport operations, based aircraft and fuel flowage, as well as civilian airmen population. In addition, we continue to monitor the commercial aviation industry in Florida, including enplaned passengers and cargo activity. This year's survey illustrates the general aviation market in Florida has fully recovered from the pandemic, with notable growth in the past five years in based aircraft (7%), operations (9%) and fuel flowage (46%).

Our statewide survey of general aviation and small/non-hub commercial airports indicates continued growth compared to 2022 in based aircraft (5%), operations (10%) and stable general aviation fuel flowage. Rental rate trends indicate continued increases in 2023 as compared to 2022. Demand and occupancies remain strong statewide.

The demand for general aviation fuel in 2023 remained stable as compared to 2022 and indicated an average increase of 46% over the past 5 years. Over the past Florida has seen significant growth in general aviation fuel flowage, including Southeast Florida (+46%), Southwest Florida (+58%), Northeast Florida (+28%) and Northwest Florida (+35%).

Our analysis of the annual operations at all Florida airports with FAA control towers built prior to 2013 indicated in 2023, increases in total operations (11%) and general aviation operations (13%) as compared to 2022. A review of the general aviation annual operations information indicates in 2023 there were increases in itinerant operations (8%) and local operations (20%) as compared to 2022. It was noted that for the first time since the pandemic both general aviation itinerant operations and general aviation local operations in 2023 exceeded pre-pandemic level.

Our analysis of the civilian airmen population nationally during 2023 indicated increases in total pilots (7%), student pilots (13%) and private pilots (2%) as compared to 2022. In Florida, the civilian airmen population increased in 2023 in total pilots (8%), student pilots (13%) and private pilots (6%) as compared to 2022. Over the past five years, Florida has seen significant growth in all pilot categories including total pilots (35%), student pilots (76%) and private pilots (13%).

A review of the commercial aviation activity including enplaned passengers and landed cargo indicates that activity continues to be primarily centered at Florida's large and medium hub airports. Commercial service airports reached a milestone in 2023 with over 100 million annual enplanements for the first time ever. Total enplanements at Florida's commercial service airports increased in 2023 about 6%. The recent trend in passenger enplanement distribution continued, with small and non-hub commercial service airports that indicated an annual increase in enplanements of about 8%, slightly outpacing the large and medium hub commercial service airports that indicated an annual increase in enplanements of about 5%. Florida's cargo market remains stable, with an increase in landed cargo of about 10% in 2023 as compared to 2022. MIA continues to dominate the cargo market in Florida with about 73% of all landed cargo in 2023. It was noted the distribution of cargo among Florida airports continues evolve with the advent of carrier specific cargo operations that have led to double digit declines in cargo volume at half the large and medium hub airports (excluding MIA).

The following information summarizes our survey. As always, we thank those who participated in the survey. We look forward to continuing to serve the rates and charges and general real estate valuation and consulting needs of the Florida aviation community. Let us know if we can further assist you.

Slack, Johnston & Magenheimer is a valuation firm based in Miami, Florida for over 60 years and has provided appraisal and consulting services to over 60 airports. For more information visit www.sjmiami.com or call us at 305-670-2111. We find solutions!

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General Aviation Airport Survey - Florida 2023-24

Prepared by: Slack, Johnston & Magenheimer, Inc.
7245 SW 87 Avenue, Suite 300, Miami, Florida

Phone: 305-670-2111 Email: info@SJMiami.com Website: SJMiami.com

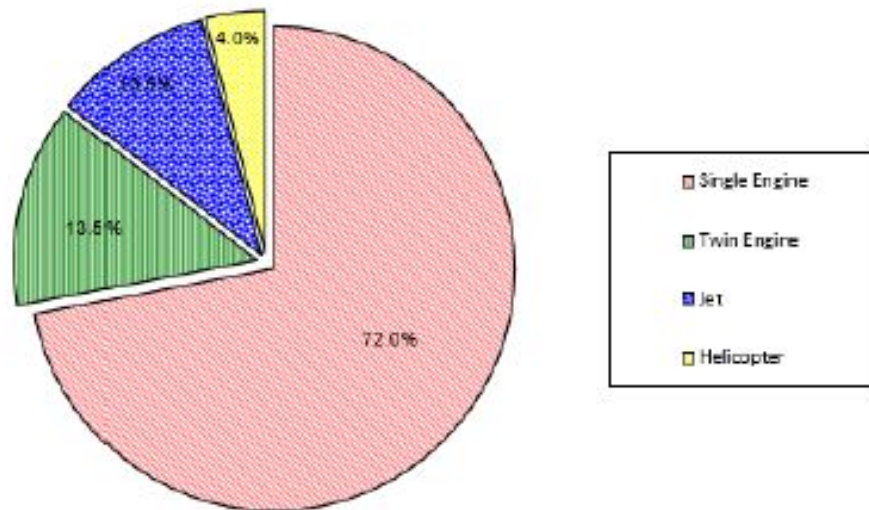
General Aviation, Non-Hub Commercial and Small-Hub Commercial Airports with > +/-25,000 Annual Ops

	Airports Surveyed	Airport Size (Acres)	Based Aircraft	Annual GA Operations	Annual GA Fuel Flowage	Fuel Flowage Fee (\$/gal.)	Annual Ground Rent (\$/Sq. Ft.)	Aircraft Storage	tie-Down S.E. (\$/mo.)	T-Hangars S.E. (\$/mo.)	T.E. (\$/mo.)	Shade S.E. (\$/mo.)
Total	59	4,000	626	315,600	26,516,000	\$0.200	\$0.70	\$300.00	\$1,400	\$2,500	\$500	
High-	47	47	10	34,100	10,000	\$0.030	\$0.10	\$40.00	\$162	\$300	\$134	
Low-	1,135	1,135	200	102,100	2,361,000	\$0.032	\$0.33	\$121.00	\$524	\$687	\$257	
Mean-												
Southeast	16	3,700	626	315,600	26,516,000	\$0.150	\$0.66	\$250.00	\$1,400	\$2,500	\$500	
High-	157	157	10	34,100	10,000	\$0.030	\$0.10	\$80.00	\$275	\$701	\$248	
Low-	1,045	1,045	228	121,300	4,420,000	\$0.054	\$0.33	\$153.00	\$826	\$1,440	\$374	
Mean-												
Southwest	19	2,400	399	191,300	11,531,000	\$0.100	\$0.70	\$225.00	\$695	\$870	\$400	
High-	47	47	62	36,000	63,000	\$0.040	\$0.15	\$40.00	\$201	\$300	\$134	
Low-	945	945	218	80,300	1,750,000	\$0.077	\$0.35	\$96.00	\$440	\$558	\$244	
Mean-												
Northeast	20	2,800	320	182,100	4,943,000	\$0.200	\$0.45	\$300.00	\$820	\$1,030	\$138	
High-	138	138	65	40,000	33,000	\$0.040	\$0.17	\$40.00	\$162	\$357	\$138	
Low-	1,210	1,210	176	116,100	1,252,000	\$0.063	\$0.29	\$111.00	\$415	\$554	\$138	
Mean-												
Northwest	4	4,000	178	74,700	2,505,000	\$0.130	\$0.43	\$150.00	\$635	\$635	n/a	
High-	335	335	36	42,500	1,340,000	\$0.040	\$0.33	\$110.00	\$300	\$450	n/a	
Low-	2,024	2,024	129	58,900	1,831,000	\$0.075	\$0.39	\$128.00	\$475	\$602	n/a	
Mean-												

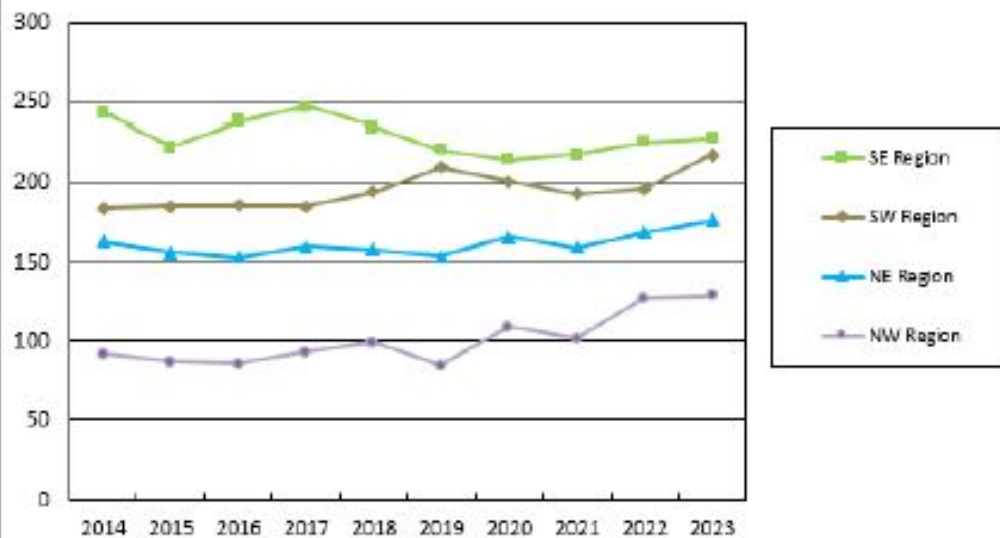


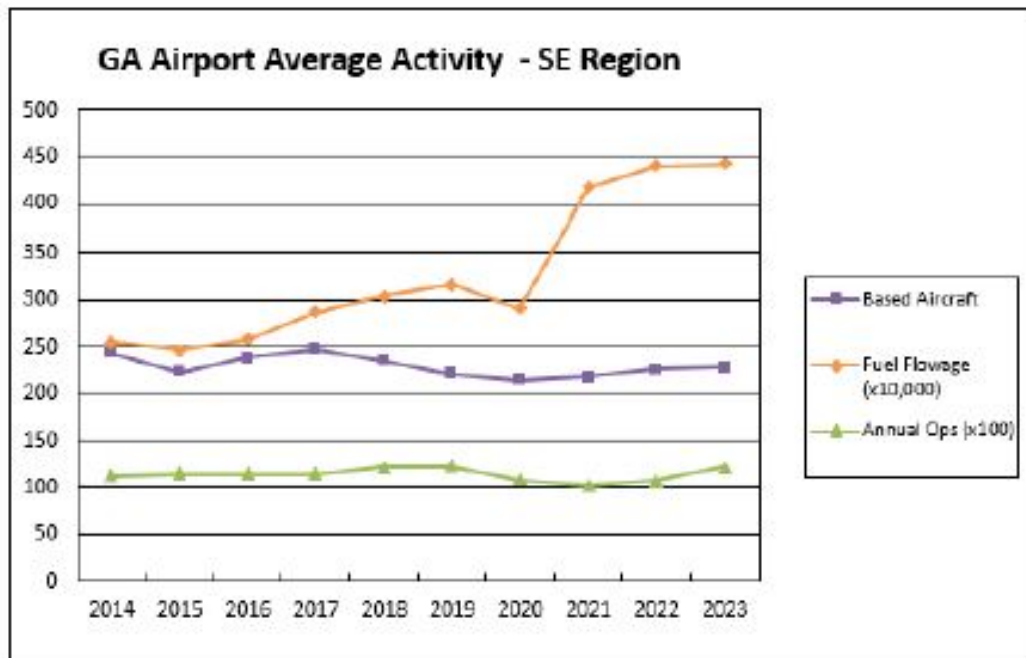
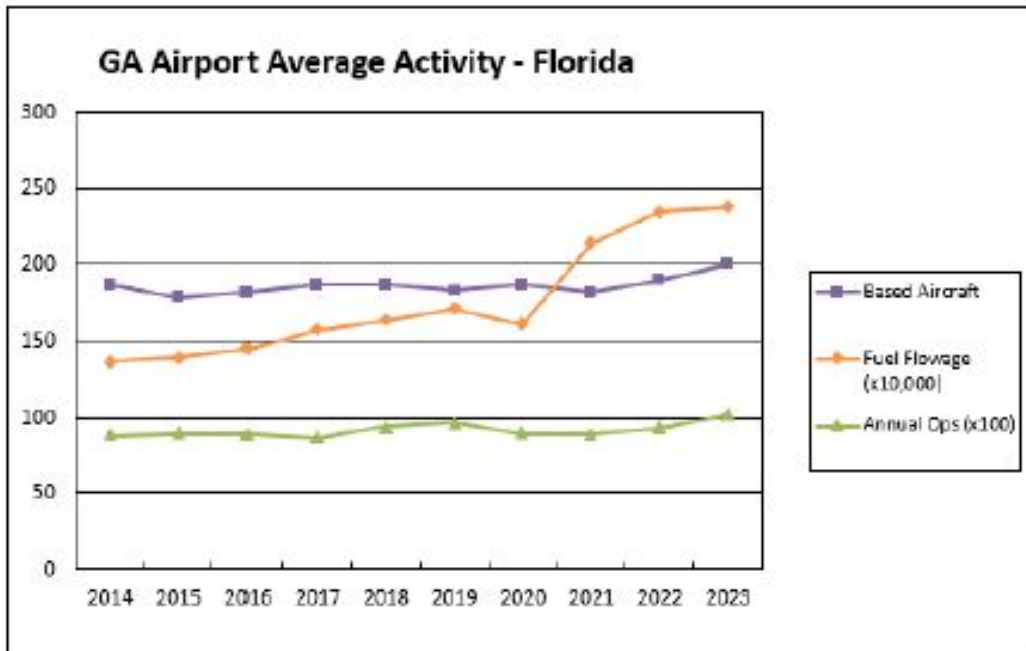
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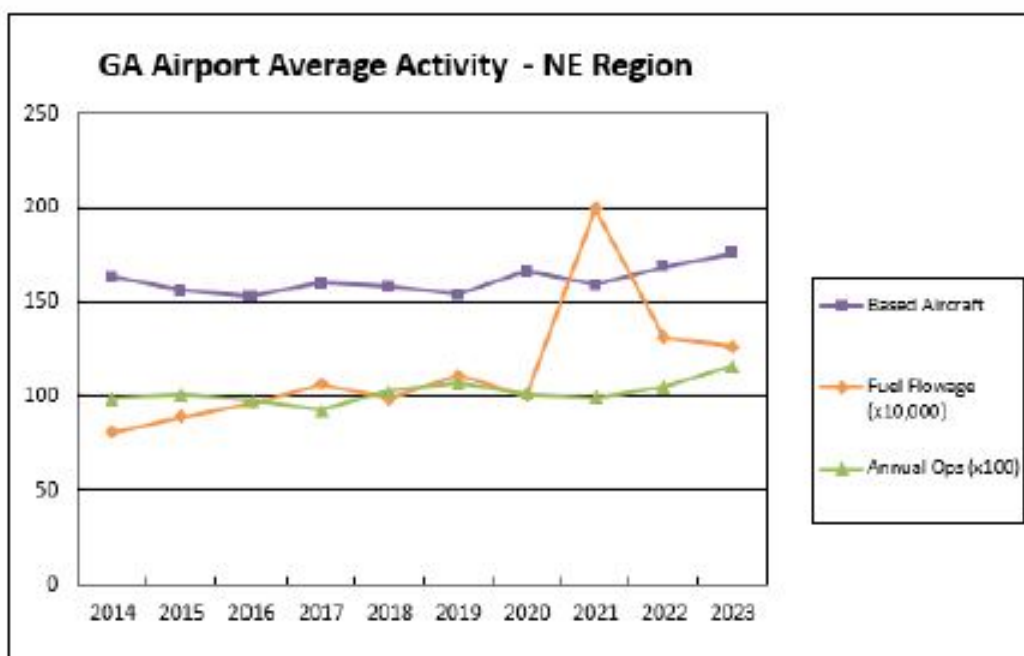
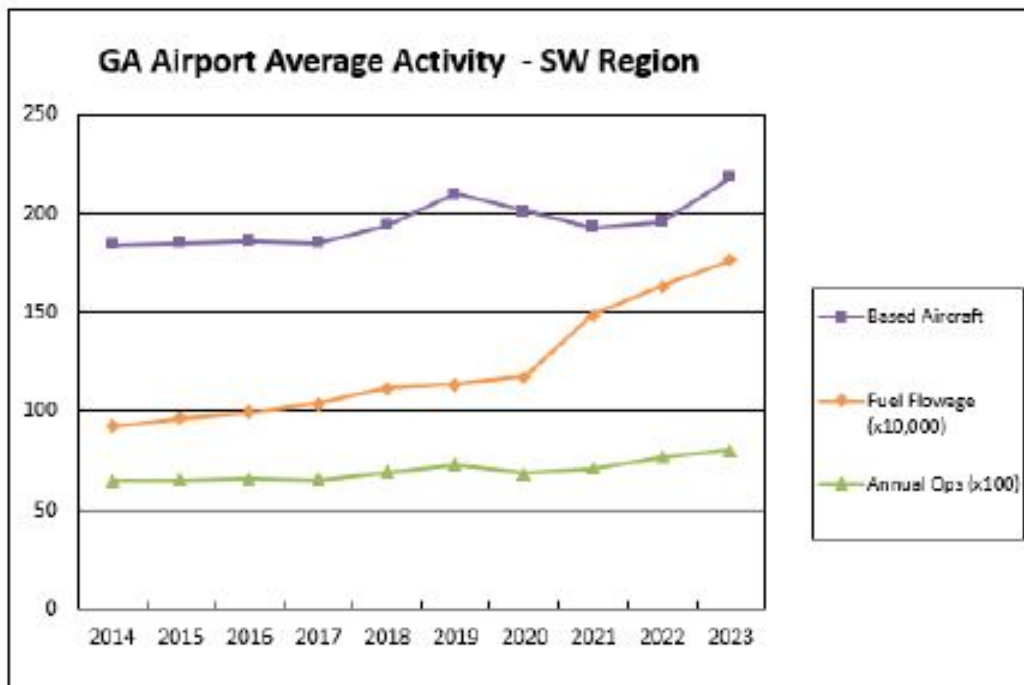
GA Airports Average Based Aircraft Distribution - 2023-24

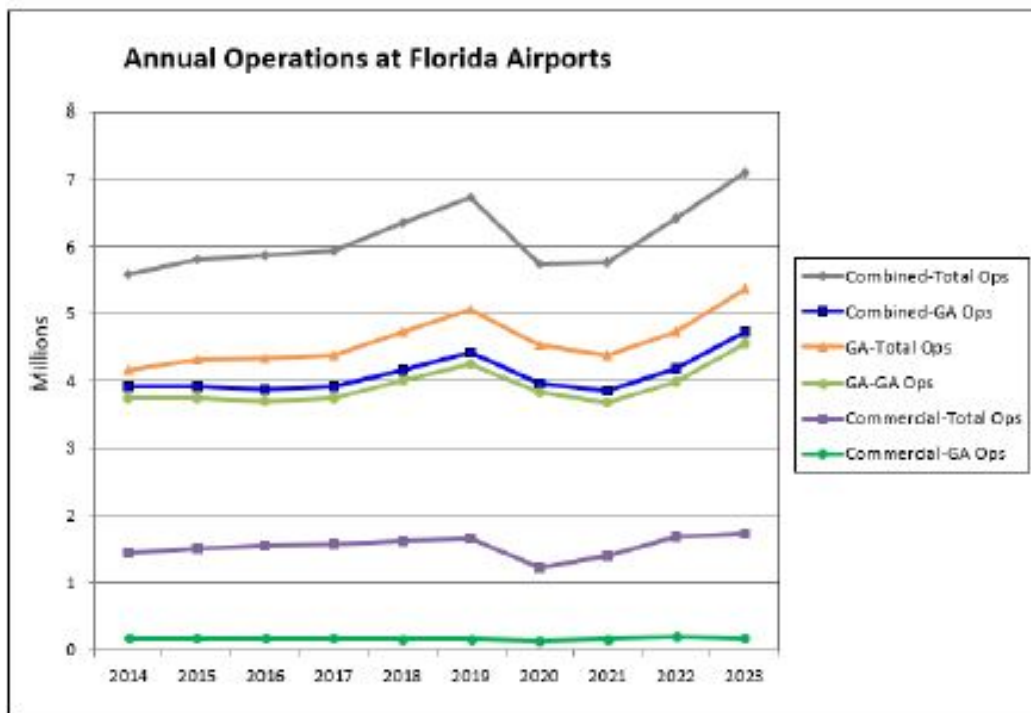
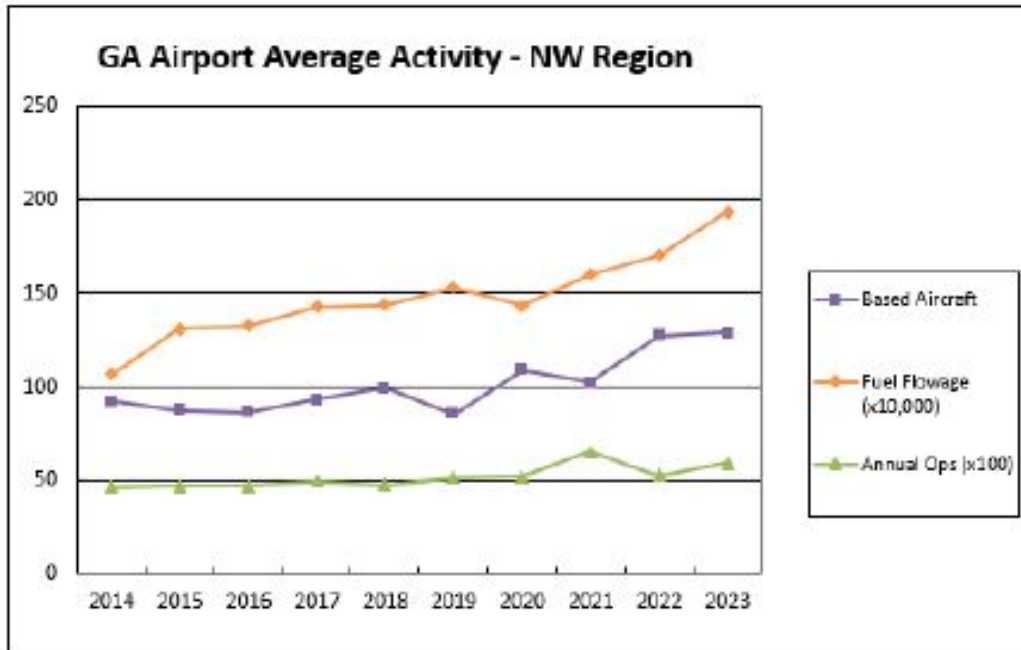


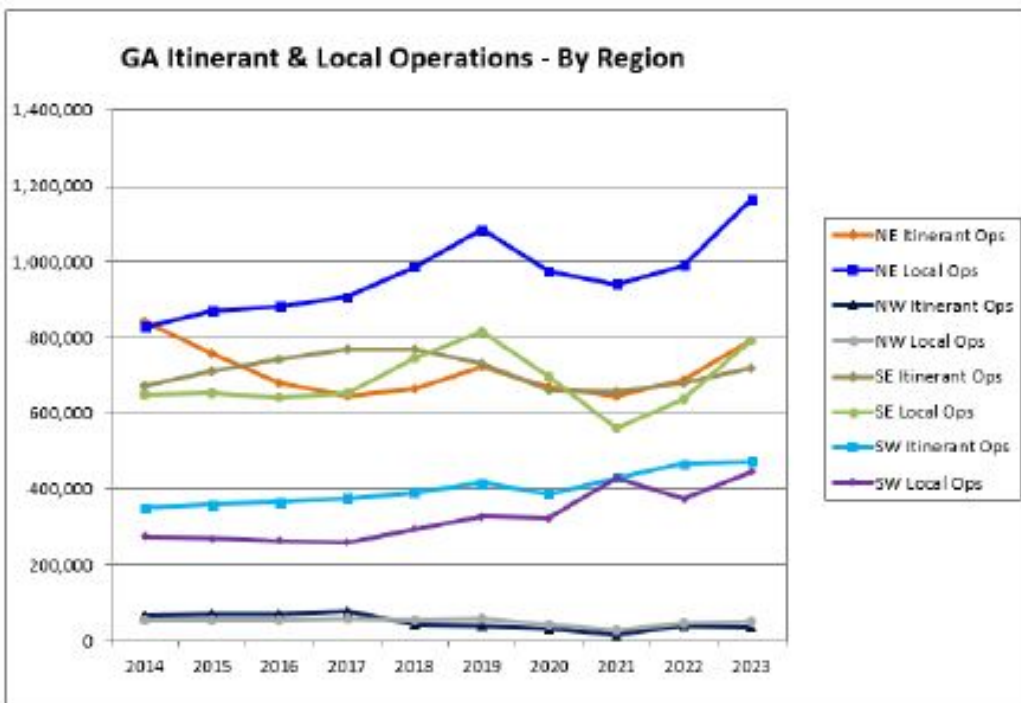
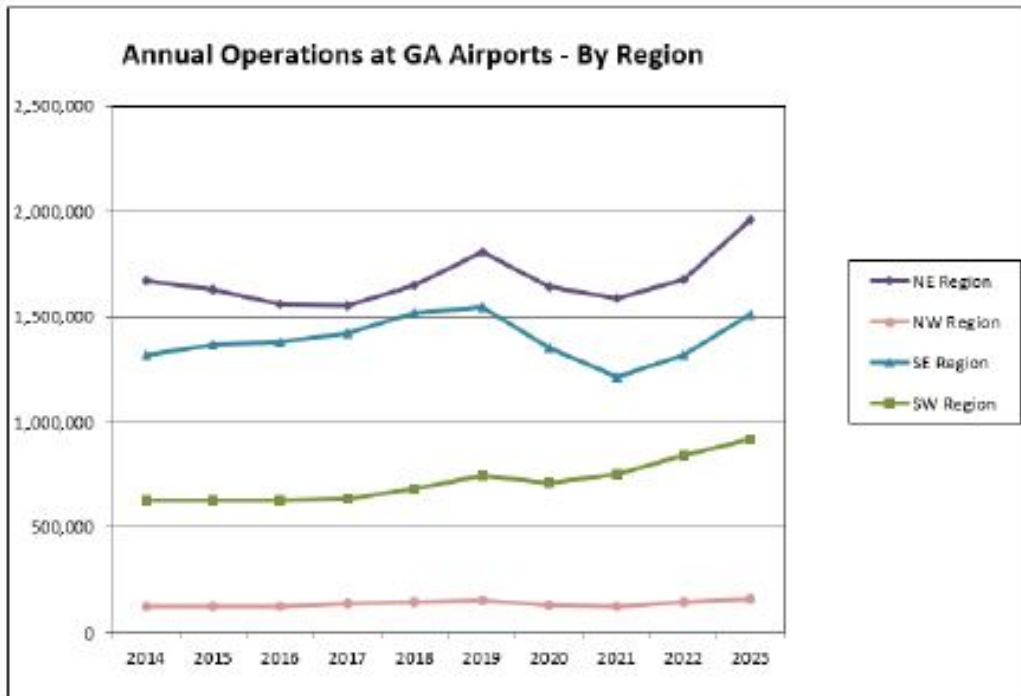
GA Airport Average Based Aircraft-By Region

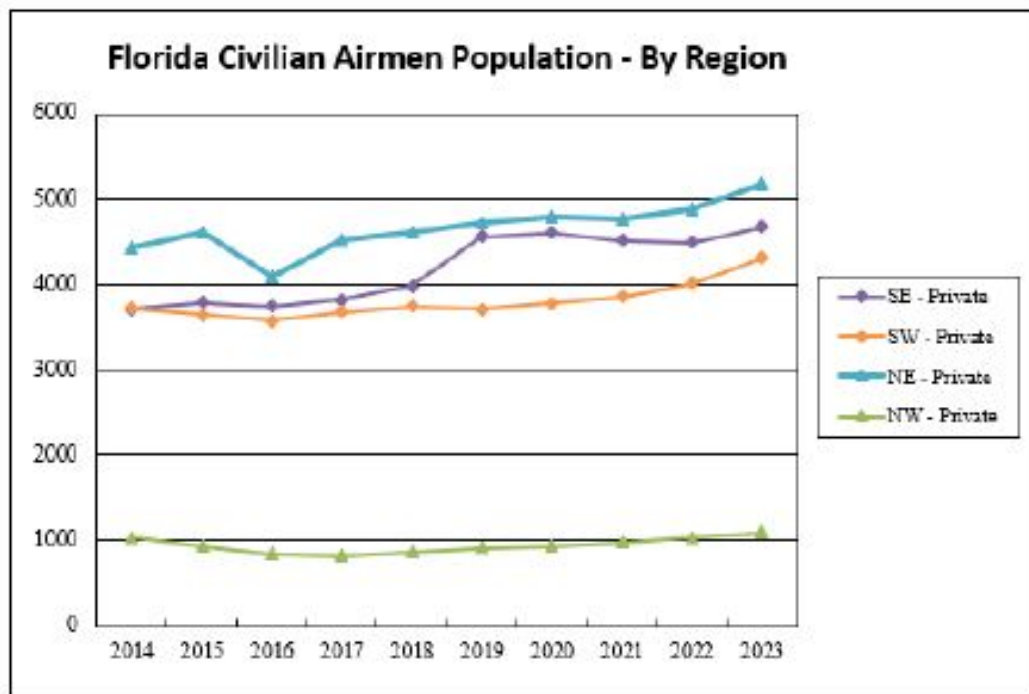
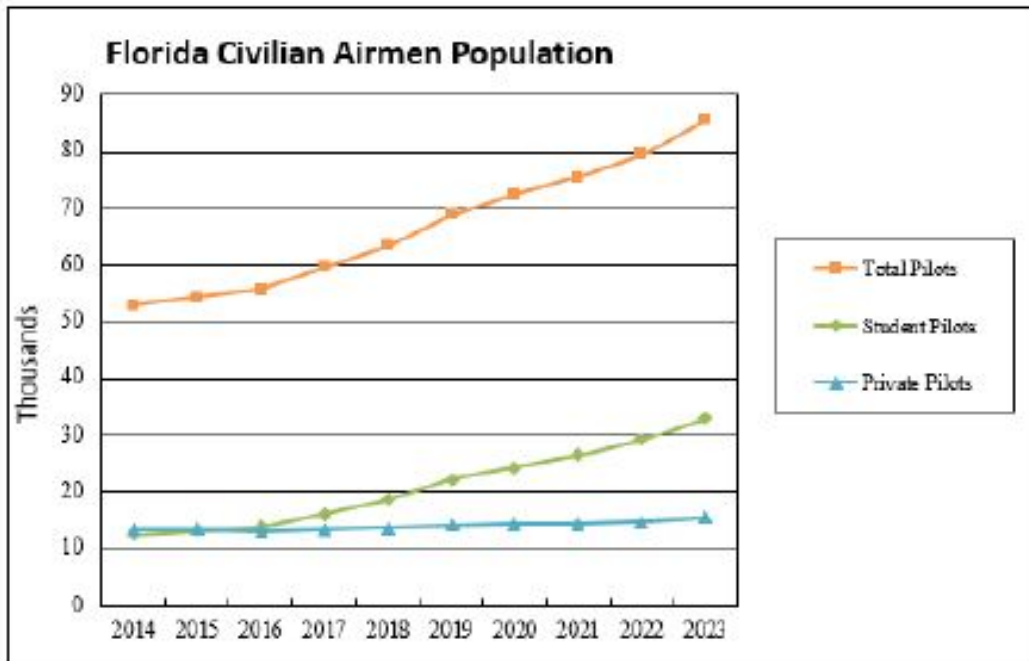


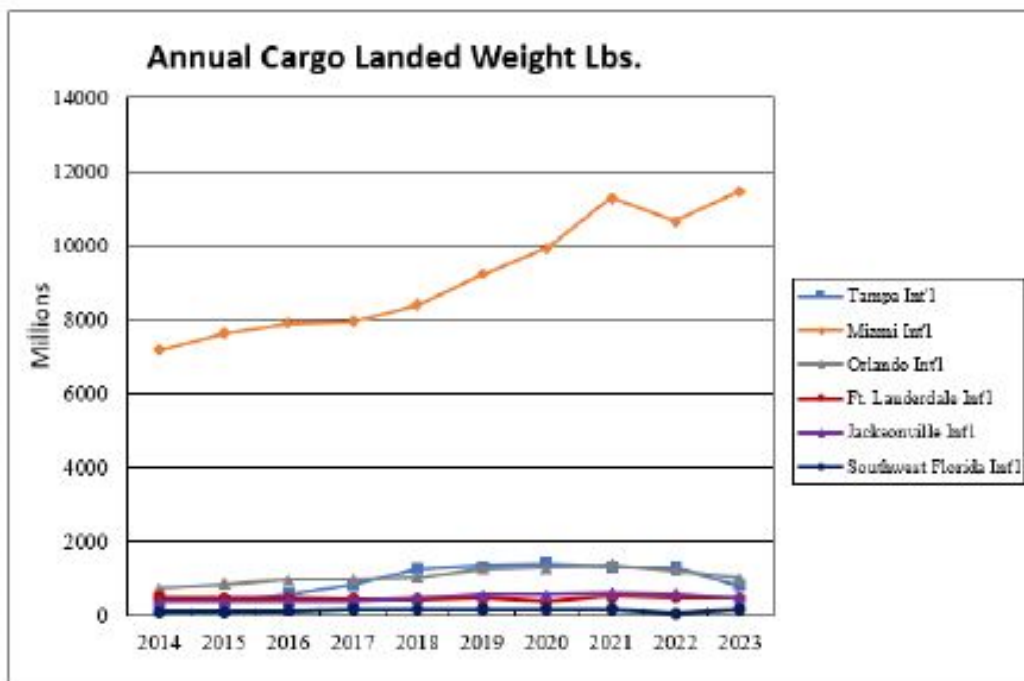
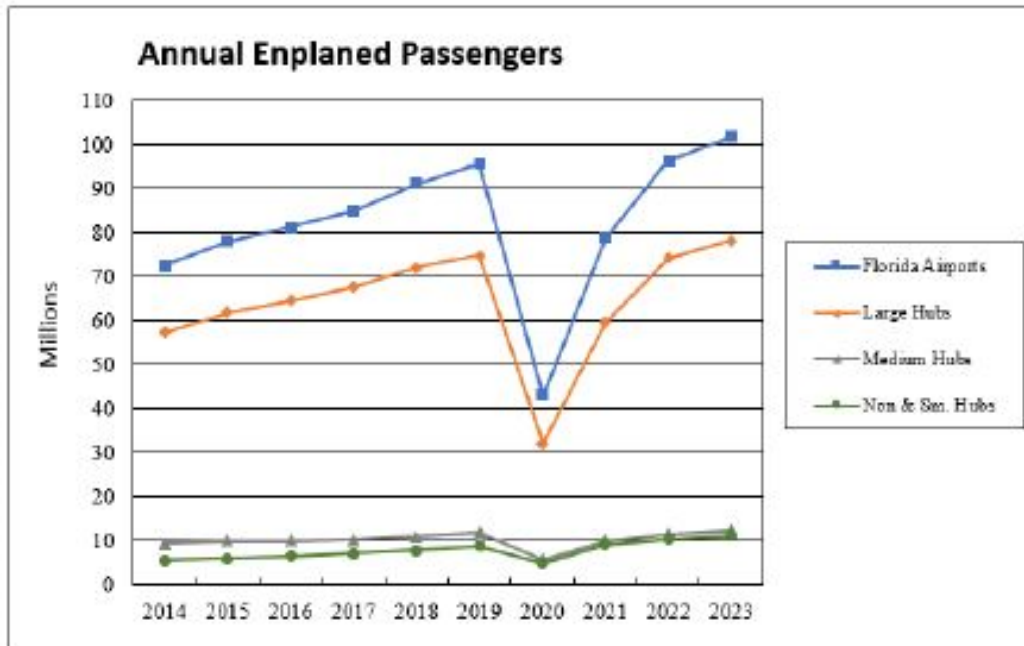












ADDENDUM C – FDOT Airport Summary

ARTHUR DUNN AIR PARK X21



Airport: Arthur Dunn Air Park (X21)

City: Titusville, Florida

County: Brevard

Sponsor: Titusville-Cocoa Airport District

Role: General Aviation (Local)

CFASPP Region: East Central (cfaspp.com)

FDOT District: 5

Website: [Arthur Dunn](http://ArthurDunn)

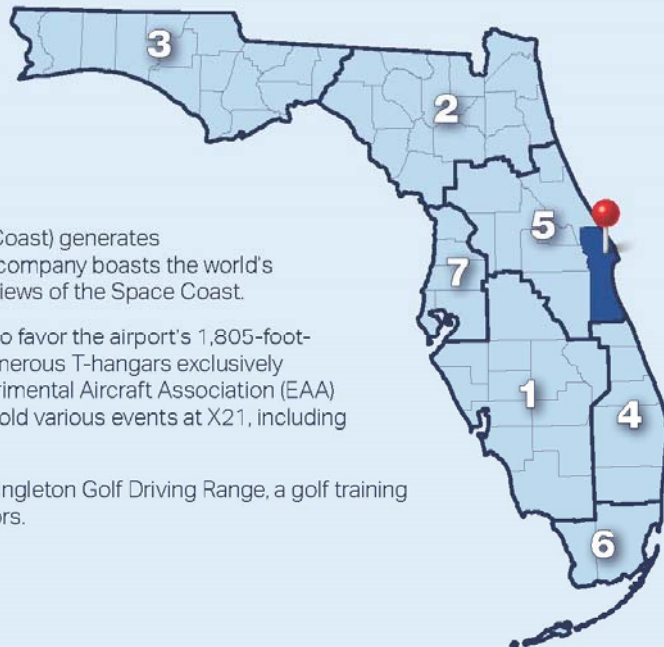


Arthur Dunn Air Park (X21) is a recreational airport in the city of Titusville, near the famed Space Coast in east central Florida. The airport has two runways, with the longest being a paved runway measuring 2,961 feet long by 70 feet wide (Runway 15-33).

An onsite skydiving business (Skydive Space Coast) generates the highest number of operations at X21. The company boasts the world's highest tandem jump at 18,000 feet for great views of the Space Coast.

The airport also supports recreational fliers who favor the airport's 1,805-foot-long turf runway, proximity to Titusville, and numerous T-hangars exclusively used to store ultralight aircraft. An onsite Experimental Aircraft Association (EAA) chapter has approximately 60 members who hold various events at X21, including occasional pancake breakfasts.

The Arthur Dunn Air Park is also home to the Singleton Golf Driving Range, a golf training center with on-site PGA-certified golf instructors.



ARTHUR DUNN AIR PARK

X21

ECONOMIC IMPACT



\$12.3M

ECONOMIC IMPACT (OUTPUT)



\$6.5M

VALUE ADDED



\$4.3M

PAYROLL



88

JOBS

Source: Florida Aviation Economic Impact Study.



GENERAL AVIATION ROLES



RECREATIONAL /
SPORT



BUSINESS /
RECREATIONAL



SKYDIVING

Source: FASP 2043 Update.

For more information on airport roles, please refer to the
FAA's National Plan of Integrated Airport Systems (NPIAS).



ACTIVITY FORECASTS

OPERATIONS

64,969

2043

53,744

2023

BASED AIRCRAFT

68

2043

54

2023



Source: FASP 2043 Update.

AIRPORT CHARACTERISTICS

1

Provides Both
a Paved & Turf
Runway

2

Home to
Experimental Aircraft
Association Chapter

3

Home to Popular
Skydiving
Operation

RUNWAY INFORMATION (2)

Runway 15-33: 2,961' x 70'

Turf Runway 4-22: 1,805' x 100'



LONGEST RUNWAY: 2,961 ft



Overview of the FASP 2043 Update:

Per Florida statute, the Florida Aviation System Plan (FASP) is periodically updated to summarize the airport and aviation needs in Florida while remaining consistent with the goals of the Florida Transportation Plan (FTP). The FASP 2043 Update focuses on reviewing the applicability of the various goals, objectives, and performance measures to support two primary goals: 1) provide for more efficiency in decision making within FDOT to support funding and development decisions, and 2) provide airports within the system with recommendations for development that support their individual missions while contributing to the overall strength and health of the Florida airport system.



2043

FASP

FLORIDA
AVIATION
SYSTEM
PLAN



FASP 2043 Update

**ADDENDUM D - Qualifications of the Appraisers
ANDREW H. MAGENHEIMER, MAI**

EDUCATION:

Bachelor's Degree, The University of the South, Sewanee, Tennessee, 1986

EXPERIENCE:

Over thirty years in the field of real estate, involved in various forms of consultation, appraisal, economic research and market analysis.

June, 1997 to Present, Principal, Slack, Johnston & Magenheimer, Inc.

August, 1991 to May, 1997, Senior Appraiser, Slack & Johnston, Inc.

February, 1987 to July, 1991, Staff Appraiser, Dixon & Friedman, Inc.

GENERAL APPRAISAL EXPERIENCE:

Appraisals - Vacant land, environmentally sensitive land, aviation facilities, industrial facilities, shopping centers, office buildings, apartment buildings, residential developments and single-family residences.

Consulting - Economic research, market analysis, feasibility analysis and ad valorem real estate tax assessment appeals pertaining to industrial, commercial and residential properties.

Litigation Support – Appraisals and consulting, including expert testimony, concerning various property types.

AFFILIATIONS:

Licensed Florida Real Estate Broker

Florida State-Certified General Real Estate Appraiser, Certification No. RZ1073

Appraisal Institute Member, MAI, Certificate Number 10133, Continuing Education Completed

2002 President of the South Florida Chapter of the Appraisal Institute

Member of the Miami Board of Realtors

Member of the Florida Keys Board of Realtors

Corporate Member of Florida Airport Council (FAC)



ACTION ITEMS

**APPROVAL: FDOT PUBLIC TRANSPORTATION
GRANT AGREEMENT (FPN# 456310-1) AND
ASSOCIATED RESOLUTION IN THE AMOUNT OF
\$640,000 FOR THE ACQUISITION OF THE
SHELTAIR AVIATION IMPROVEMENTS LOCATED
AT ARTHUR DUNN AIRPARK.**

**PUBLIC TRANSPORTATION
GRANT AGREEMENT**

Financial Project Number(s): (item-segment-phase-sequence) 456310-1-94-01	Fund(s): Work Activity Code/Function: 215 Federal Award Identification Number (FAIN) – Transit only: N/A	DDR Object Code: 751000 Org. Code: 55052000531 Vendor Number: VF591061002001	FLAIR Category: 088719
Contract Number:	Federal Award Date: N/A		
CFDA Number: N/A	Agency UEI Number:		
CFDA Title: N/A			
CSFA Number: 55.004			
CSFA Title: Aviation Grant Program			

THIS PUBLIC TRANSPORTATION GRANT AGREEMENT ("Agreement") is entered into _____, by and between the State of Florida, Department of Transportation, ("Department"), and Titusville-Cocoa Airport District, ("Agency"). The Department and the Agency are sometimes referred to in this Agreement as a "Party" and collectively as the "Parties."

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

- 1. Authority.** The Agency, by Resolution or other form of official authorization, a copy of which is attached as **Exhibit "D", Agency Resolution** and made a part of this Agreement, has authorized its officers to execute this Agreement on its behalf. The Department has the authority pursuant to Section(s) 332.007, Florida Statutes, to enter into this Agreement.
- 2. Purpose of Agreement.** The purpose of this Agreement is to provide for the Department's participation in T-Hangar Buildings Acquisition at Arthur Dunn Air Park, as further described in **Exhibit "A", Project Description and Responsibilities**, attached and incorporated into this Agreement ("Project"), to provide Department financial assistance to the Agency, state the terms and conditions upon which Department funds will be provided, and to set forth the manner in which the Project will be undertaken and completed.
- 3. Program Area.** For identification purposes only, this Agreement is implemented as part of the Department program area selected below (select all programs that apply):

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

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

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

**PUBLIC TRANSPORTATION
GRANT AGREEMENT**

- ☒ Exhibit F: Contract Payment Requirements
☒ *Exhibit G: Audit Requirements for Awards of State Financial Assistance
☐ *Exhibit H: Audit Requirements for Awards of Federal Financial Assistance
☐ *Exhibit I: Certification of Disbursement of Payment to Vehicle and/or Equipment Vendor
☐ *Additional Exhibit(s):

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

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

6. Term of Agreement. This Agreement shall commence upon full execution by both Parties (“Effective Date”) and continue through June 1, 2026. If the Agency does not complete the Project within this time period, this Agreement will expire unless an extension of the time period is requested by the Agency and granted in writing by the Department prior to the expiration of this Agreement. Expiration of this Agreement will be considered termination of the Project. The cost of any work performed prior to the Effective Date or after the expiration date of this Agreement will not be reimbursed by the Department.

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

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

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

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

- a. Notwithstanding any other provision of this Agreement, if the Department intends to terminate the Agreement, the Department shall notify the Agency of such termination in writing at least thirty (30) days prior to the termination of the Agreement, with instructions to the effective date of termination or specify the stage of work at which the Agreement is to be terminated.
- b. The Parties to this Agreement may terminate this Agreement when its continuation would not produce beneficial results commensurate with the further expenditure of funds. In this event, the Parties shall agree upon the termination conditions.
- c. If the Agreement is terminated before performance is completed, the Agency shall be paid only for that work satisfactorily performed for which costs can be substantiated. Such payment, however, may not exceed the equivalent percentage of the Department's maximum financial assistance. If any portion of the Project is located on the Department's right-of-way, then all work in progress on the Department right-of-way will become the property of the Department and will be turned over promptly by the Agency.
- d. In the event the Agency fails to perform or honor the requirements and provisions of this Agreement, the Agency shall promptly refund in full to the Department within thirty (30) days of the termination of the Agreement any funds that were determined by the Department to have been expended in violation of the Agreement.

**PUBLIC TRANSPORTATION
GRANT AGREEMENT**

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

9. Project Cost:

- a. The estimated total cost of the Project is \$1,280,000. This amount is based upon **Exhibit "B", Schedule of Financial Assistance**. The timeline for deliverables and distribution of estimated amounts between deliverables within a grant phase, as outlined in **Exhibit "B", Schedule of Financial Assistance**, may be modified by mutual written agreement of the Parties and does not require execution of an **Amendment to the Public Transportation Grant Agreement**. The timeline for deliverables and distribution of estimated amounts between grant phases requires an amendment executed by both Parties in the same form as this Agreement.
- b. The Department agrees to participate in the Project cost up to the maximum amount of \$640,000 and, the Department's participation in the Project shall not exceed 50.00% of the total eligible cost of the Project, and as more fully described in **Exhibit "B", Schedule of Financial Assistance**. The Agency agrees to bear all expenses in excess of the amount of the Department's participation and any cost overruns or deficits involved.

10. Compensation and Payment:

- a. **Eligible Cost.** The Department shall reimburse the Agency for allowable costs incurred as described in **Exhibit "A", Project Description and Responsibilities**, and as set forth in **Exhibit "B", Schedule of Financial Assistance**.
- b. **Deliverables.** The Agency shall provide quantifiable, measurable, and verifiable units of deliverables. Each deliverable must specify the required minimum level of service to be performed and the criteria for evaluating successful completion. The Project and the quantifiable, measurable, and verifiable units of deliverables are described more fully in **Exhibit "A", Project Description and Responsibilities**. Modifications to the deliverables in **Exhibit "A", Project Description and Responsibilities** requires a formal written amendment.
- c. **Invoicing.** Invoices shall be submitted no more often than monthly by the Agency in detail sufficient for a proper pre-audit and post-audit, based on the quantifiable, measurable, and verifiable deliverables as established in **Exhibit "A", Project Description and Responsibilities**. Deliverables and costs incurred must be received and approved by the Department prior to reimbursement. Requests for reimbursement by the Agency shall include an invoice, progress report, and supporting documentation for the deliverables being billed that are acceptable to the Department. The Agency shall use the format for the invoice and progress report that is approved by the Department.
- d. **Supporting Documentation.** Supporting documentation must establish that the deliverables were received and accepted in writing by the Agency and must also establish that the required minimum standards or level of service to be performed based on the criteria for evaluating successful completion as specified in **Exhibit "A", Project Description and Responsibilities** has been met. All costs invoiced shall be supported by properly executed payrolls, time records, invoices, contracts, or vouchers evidencing in proper detail the nature and propriety of charges as described in **Exhibit "F", Contract Payment Requirements**.
- e. **Travel Expenses.** The selected provision below is controlling regarding travel expenses:
- ☒ Travel expenses are NOT eligible for reimbursement under this Agreement.
- ☐ Travel expenses ARE eligible for reimbursement under this Agreement. Bills for travel expenses specifically authorized in this Agreement shall be submitted on the Department's

**PUBLIC TRANSPORTATION
GRANT AGREEMENT**

Contractor Travel Form No. 300-000-06 and will be paid in accordance with Section 112.061, Florida Statutes, and the most current version of the Department's Disbursement Handbook for Employees and Managers.

- f. **Financial Consequences.** Payment shall be made only after receipt and approval of deliverables and costs incurred unless advance payments are authorized by the Chief Financial Officer of the State of Florida under Chapters 215 and 216, Florida Statutes, or the Department's Comptroller under Section 334.044(29), Florida Statutes. If the Department determines that the performance of the Agency is unsatisfactory, the Department shall notify the Agency of the deficiency to be corrected, which correction shall be made within a time-frame to be specified by the Department. The Agency shall, within thirty (30) days after notice from the Department, provide the Department with a corrective action plan describing how the Agency will address all issues of contract non-performance, unacceptable performance, failure to meet the minimum performance levels, deliverable deficiencies, or contract non-compliance. If the corrective action plan is unacceptable to the Department, the Agency will not be reimbursed. If the deficiency is subsequently resolved, the Agency may bill the Department for the amount that was previously not reimbursed during the next billing period. If the Agency is unable to resolve the deficiency, the funds shall be forfeited at the end of the Agreement's term.
- g. **Invoice Processing.** An Agency receiving financial assistance from the Department should be aware of the following time frames. Inspection or verification and approval of deliverables shall take no longer than 20 days from the Department's receipt of the invoice. The Department has 20 days to deliver a request for payment (voucher) to the Department of Financial Services. The 20 days are measured from the latter of the date the invoice is received or the deliverables are received, inspected or verified, and approved.

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

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

- h. **Records Retention.** The Agency shall maintain an accounting system or separate accounts to ensure funds and projects are tracked separately. Records of costs incurred under the terms of this Agreement shall be maintained and made available upon request to the Department at all times during the period of this Agreement and for five years after final payment is made. Copies of these records shall be furnished to the Department upon request. Records of costs incurred include the Agency's general accounting records and the Project records, together with supporting documents and records, of the Contractor and all subcontractors performing work on the Project, and all other records of the Contractor and subcontractors considered necessary by the Department for a proper audit of costs.
- i. **Progress Reports.** Upon request, the Agency agrees to provide progress reports to the Department in the standard format used by the Department and at intervals established by the Department. The Department will be entitled at all times to be advised, at its request, as to the status of the Project and of details thereof.

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- j. **Submission of Other Documents.** The Agency shall submit to the Department such data, reports, records, contracts, and other documents relating to the Project as the Department may require as listed in **Exhibit "E", Program Specific Terms and Conditions** attached to and incorporated into this Agreement.
- k. **Offsets for Claims.** If, after Project completion, any claim is made by the Department resulting from an audit or for work or services performed pursuant to this Agreement, the Department may offset such amount from payments due for work or services done under any agreement that it has with the Agency owing such amount if, upon written demand, payment of the amount is not made within 60 days to the Department. Offsetting any amount pursuant to this paragraph shall not be considered a breach of contract by the Department.
- l. **Final Invoice.** The Agency must submit the final invoice on the Project to the Department within 120 days after the completion of the Project. Invoices submitted after the 120-day time period may not be paid.
- m. **Department's Performance and Payment Contingent Upon Annual Appropriation by the Legislature.** The Department's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature. If the Department's funding for this Project is in multiple fiscal years, a notice of availability of funds from the Department's project manager must be received prior to costs being incurred by the Agency. See **Exhibit "B", Schedule of Financial Assistance** for funding levels by fiscal year. Project costs utilizing any fiscal year funds are not eligible for reimbursement if incurred prior to funds approval being received. The Department will notify the Agency, in writing, when funds are available.
- n. **Limits on Contracts Exceeding \$25,000 and Term more than 1 Year.** In the event this Agreement is in excess of \$25,000 and has a term for a period of more than one year, the provisions of Section 339.135(6)(a), Florida Statutes, are hereby incorporated:
- "The Department, during any fiscal year, shall not expend money, incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts budgeted as available for expenditure during such fiscal year. Any contract, verbal or written, made in violation of this subsection is null and void, and no money may be paid on such contract. The Department shall require a statement from the comptroller of the Department that funds are available prior to entering into any such contract or other binding commitment of funds. Nothing herein contained shall prevent the making of contracts for periods exceeding 1 year, but any contract so made shall be executory only for the value of the services to be rendered or agreed to be paid for in succeeding fiscal years; and this paragraph shall be incorporated verbatim in all contracts of the Department which are for an amount in excess of \$25,000 and which have a term for a period of more than 1 year."
- o. **Agency Obligation to Refund Department.** Any Project funds made available by the Department pursuant to this Agreement that are determined by the Department to have been expended by the Agency in violation of this Agreement or any other applicable law or regulation shall be promptly refunded in full to the Department. Acceptance by the Department of any documentation or certifications, mandatory or otherwise permitted, that the Agency files shall not constitute a waiver of the Department's rights as the funding agency to verify all information at a later date by audit or investigation.
- p. **Non-Eligible Costs.** In determining the amount of the payment, the Department will exclude all Project costs incurred by the Agency prior to the execution of this Agreement, costs incurred after the expiration of the Agreement, costs that are not provided for in **Exhibit "A", Project**

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Description and Responsibilities, and as set forth in **Exhibit “B”, Schedule of Financial Assistance**, costs agreed to be borne by the Agency or its contractors and subcontractors for not meeting the Project commencement and final invoice time lines, and costs attributable to goods or services received under a contract or other arrangement that has not been approved in writing by the Department. Specific unallowable costs may be listed in **Exhibit “A”, Project Description and Responsibilities**.

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

- a. Necessary Permits Certification.** The Agency shall certify to the Department that the Agency’s design consultant and/or construction contractor has secured the necessary permits.
- b. Right-of-Way Certification.** If the Project involves construction, then the Agency shall provide to the Department certification and a copy of appropriate documentation substantiating that all required right-of-way necessary for the Project has been obtained. Certification is required prior to authorization for advertisement for or solicitation of bids for construction of the Project, even if no right-of-way is required.
- c. Notification Requirements When Performing Construction on Department’s Right-of-Way.** In the event the cost of the Project is greater than \$250,000.00, and the Project involves construction on the Department’s right-of-way, the Agency shall provide the Department with written notification of either its intent to:
 - i.** Require the construction work of the Project that is on the Department’s right-of-way to be performed by a Department prequalified contractor, or
 - ii.** Construct the Project utilizing existing Agency employees, if the Agency can complete said Project within the time frame set forth in this Agreement.
- d.** ☐ If this box is checked, then the Agency is permitted to utilize its own forces and the following provision applies: **Use of Agency Workforce.** In the event the Agency proceeds with any phase of the Project utilizing its own forces, the Agency will only be reimbursed for direct costs (this excludes general overhead).
- e.** ☐ If this box is checked, then the Agency is permitted to utilize **Indirect Costs: Reimbursement for Indirect Program Expenses** (select one):
 - i.** ☐ Agency has selected to seek reimbursement from the Department for actual indirect expenses (no rate).
 - ii.** ☐ Agency has selected to apply a de minimus rate of 10% to modified total direct costs. Note: The de minimus rate is available only to entities that have never had a negotiated indirect cost rate. When selected, the de minimus rate must be used consistently for all federal awards until such time the agency chooses to negotiate a rate. A cost policy statement and de minimis certification form must be submitted to the Department for review and approval.
 - iii.** ☐ Agency has selected to apply a state or federally approved indirect cost rate. A federally approved rate agreement or indirect cost allocation plan (ICAP) must be submitted annually.
- f. Agency Compliance with Laws, Rules, and Regulations, Guidelines, and Standards.** The Agency shall comply and require its contractors and subcontractors to comply with all terms

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and conditions of this Agreement and all federal, state, and local laws and regulations applicable to this Project.

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

12. Contracts of the Agency:

- a. Approval of Third Party Contracts.** The Department specifically reserves the right to review and approve any and all third party contracts with respect to the Project before the Agency executes or obligates itself in any manner requiring the disbursement of Department funds, including consultant and purchase of commodities contracts, or amendments thereto. If the Department chooses to review and approve third party contracts for this Project and the Agency fails to obtain such approval, that shall be sufficient cause for nonpayment by the Department. The Department specifically reserves unto itself the right to review the qualifications of any consultant or contractor and to approve or disapprove the employment of the same. If Federal Transit Administration (FTA) funds are used in the Project, the Department must exercise the right to third party contract review.
- b. Procurement of Commodities or Contractual Services.** It is understood and agreed by the Parties hereto that participation by the Department in a project with the Agency, where said project involves the purchase of commodities or contractual services where purchases or costs exceed the Threshold Amount for CATEGORY TWO per Section 287.017, Florida Statutes, is contingent on the Agency complying in full with the provisions of Section 287.057, Florida Statutes. The Agency's Authorized Official shall certify to the Department that the Agency's purchase of commodities or contractual services has been accomplished in compliance with Section 287.057, Florida Statutes. It shall be the sole responsibility of the Agency to ensure that any obligations made in accordance with this Section comply with the current threshold limits. Contracts, purchase orders, task orders, construction change orders, or any other agreement that would result in exceeding the current budget contained in **Exhibit "B", Schedule of Financial Assistance**, or that is not consistent with the Project description and scope of services contained in **Exhibit "A", Project Description and Responsibilities** must be approved by the Department prior to Agency execution. Failure to obtain such approval, and subsequent execution of an amendment to the Agreement if required, shall be sufficient cause for nonpayment by the Department, in accordance with this Agreement.
- c. Consultants' Competitive Negotiation Act.** It is understood and agreed by the Parties to this Agreement that participation by the Department in a project with the Agency, where said project involves a consultant contract for professional services, is contingent on the Agency's full compliance with provisions of Section 287.055, Florida Statutes, Consultants' Competitive Negotiation Act. In all cases, the Agency's Authorized Official shall certify to the Department that selection has been accomplished in compliance with the Consultants' Competitive Negotiation Act.
- d. Disadvantaged Business Enterprise (DBE) Policy and Obligation.** It is the policy of the Department that DBEs, as defined in 49 C.F.R. Part 26, as amended, shall have the opportunity to participate in the performance of contracts financed in whole or in part with Department funds under this Agreement. The DBE requirements of applicable federal and state laws and regulations apply to this Agreement. The Agency and its contractors agree to ensure that DBEs have the opportunity to participate in the performance of this Agreement. In this regard, all recipients and contractors shall take all necessary and reasonable steps in accordance with applicable federal and state laws and regulations to ensure that the DBEs have the opportunity to compete for and perform contracts. The Agency and its contractors

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and subcontractors shall not discriminate on the basis of race, color, national origin or sex in the award and performance of contracts, entered pursuant to this Agreement.

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

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

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

- a. The Agency will not sell or otherwise transfer or dispose of any part of its title or other interests in real property, facilities, or equipment funded in any part by the Department under this Agreement without prior written approval by the Department.
- b. If a sale, transfer, or disposal by the Agency of all or a portion of Department-funded real property, facilities, or equipment is approved by the Department, the following provisions will apply:
 - i. The Agency shall reimburse the Department a proportional amount of the proceeds of the sale of any Department-funded property.
 - ii. The proportional amount shall be determined on the basis of the ratio of the Department funding of the development or acquisition of the property multiplied against the sale amount, and shall be remitted to the Department within ninety (90) days of closing of sale.
 - iii. Sale of property developed or acquired with Department funds shall be at market value as determined by appraisal or public bidding process, and the contract and process for sale must be approved in advance by the Department.
 - iv. If any portion of the proceeds from the sale to the Agency are non-cash considerations, reimbursement to the Department shall include a proportional amount based on the value of the non-cash considerations.
- c. The terms of provisions "a" and "b" above shall survive the termination of this Agreement.
 - i. The terms shall remain in full force and effect throughout the useful life of facilities developed, equipment acquired, or Project items installed within a facility, but shall not exceed twenty (20) years from the effective date of this Agreement.
 - ii. There shall be no limit on the duration of the terms with respect to real property acquired with Department funds.

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

Federal Funded:

- a. In addition to reviews of audits conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, monitoring procedures may include but not be limited to on-site visits by

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Department staff and/or other procedures, including reviewing any required performance and financial reports, following up, ensuring corrective action, and issuing management decisions on weaknesses found through audits when those findings pertain to Federal awards provided through the Department by this Agreement. By entering into this Agreement, the Agency agrees to comply and cooperate fully with any monitoring procedures/processes deemed appropriate by the Department. The Agency further agrees to comply and cooperate with any inspections, reviews, investigations, or audits deemed necessary by the Department, State of Florida Chief Financial Officer (CFO), or State of Florida Auditor General.

- b. The Agency, a non-Federal entity as defined by 2 CFR Part 200, Subpart F – Audit Requirements, as a subrecipient of a Federal award awarded by the Department through this Agreement, is subject to the following requirements:
- i. In the event the Agency expends a total amount of Federal awards equal to or in excess of the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, the Agency must have a Federal single or program-specific audit conducted for such fiscal year in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements. **Exhibit “H”, Audit Requirements for Awards of Federal Financial Assistance**, to this Agreement provides the required Federal award identification information needed by the Agency to further comply with the requirements of 2 CFR Part 200, Subpart F – Audit Requirements. In determining Federal awards expended in a fiscal year, the Agency must consider all sources of Federal awards based on when the activity related to the Federal award occurs, including the Federal award provided through the Department by this Agreement. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by 2 CFR Part 200, Subpart F – Audit Requirements. An audit conducted by the State of Florida Auditor General in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, will meet the requirements of this part.
 - ii. In connection with the audit requirements, the Agency shall fulfill the requirements relative to the auditee responsibilities as provided in 2 CFR Part 200, Subpart F – Audit Requirements.
 - iii. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards, the Agency is exempt from Federal audit requirements for that fiscal year. However, the Agency must provide a single audit exemption statement to the Department at FDOTSingleAudit@dot.state.fl.us no later than nine months after the end of the Agency’s audit period for each applicable audit year. In the event the Agency expends less than the threshold established by 2 CFR Part 200, Subpart F – Audit Requirements, in Federal awards in a fiscal year and elects to have an audit conducted in accordance with the provisions of 2 CFR Part 200, Subpart F – Audit Requirements, the cost of the audit must be paid from non-Federal resources (*i.e.*, the cost of such an audit must be paid from the Agency’s resources obtained from other than Federal entities).
 - iv. The Agency must electronically submit to the Federal Audit Clearinghouse (FAC) at <https://harvester.census.gov/facweb/> the audit reporting package as required by 2 CFR Part 200, Subpart F – Audit Requirements, within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period. The FAC is the repository of record for audits required by 2 CFR Part 200, Subpart F – Audit Requirements. However, the Department requires a copy of the audit reporting package also be submitted to FDOTSingleAudit@dot.state.fl.us within the earlier of 30 calendar days after receipt of the auditor’s report(s) or nine months after the end of the audit period as required by 2 CFR Part 200, Subpart F – Audit Requirements.

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- v. Within six months of acceptance of the audit report by the FAC, the Department will review the Agency's audit reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate action on all deficiencies has been taken pertaining to the Federal award provided through the Department by this Agreement. If the Agency fails to have an audit conducted in accordance with 2 CFR Part 200, Subpart F – Audit Requirements, the Department may impose additional conditions to remedy noncompliance. If the Department determines that noncompliance cannot be remedied by imposing additional conditions, the Department may take appropriate actions to enforce compliance, which actions may include but not be limited to the following:
1. Temporarily withhold cash payments pending correction of the deficiency by the Agency or more severe enforcement action by the Department;
 2. Disallow (deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
 3. Wholly or partly suspend or terminate the Federal award;
 4. Initiate suspension or debarment proceedings as authorized under 2 C.F.R. Part 180 and Federal awarding agency regulations (or in the case of the Department, recommend such a proceeding be initiated by the Federal awarding agency);
 5. Withhold further Federal awards for the Project or program;
 6. Take other remedies that may be legally available.
- vi. As a condition of receiving this Federal award, the Agency shall permit the Department or its designee, the CFO, or State of Florida Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- vii. The Department's contact information for requirements under this part is as follows:

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

State Funded:

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

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

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

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

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

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

And

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

- v. Any copies of financial reporting packages, reports, or other information required to be submitted to the Department shall be submitted timely in accordance with Section 215.97, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as

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applicable.

- vi. The Agency, when submitting financial reporting packages to the Department for audits done in accordance with Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date the reporting package was delivered to the Agency in correspondence accompanying the reporting package.
 - vii. Upon receipt, and within six months, the Department will review the Agency's financial reporting package, including corrective action plans and management letters, to the extent necessary to determine whether timely and appropriate corrective action on all deficiencies has been taken pertaining to the state financial assistance provided through the Department by this Agreement. If the Agency fails to have an audit conducted consistent with Section 215.97, Florida Statutes, the Department may take appropriate corrective action to enforce compliance.
 - viii. As a condition of receiving state financial assistance, the Agency shall permit the Department or its designee, DFS, or the Auditor General access to the Agency's records, including financial statements, the independent auditor's working papers, and project records as necessary. Records related to unresolved audit findings, appeals, or litigation shall be retained until the action is complete or the dispute is resolved.
- c. The Agency shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued and shall allow the Department or its designee, DFS, or State of Florida Auditor General access to such records upon request. The Agency shall ensure that the audit working papers are made available to the Department or its designee, DFS, or State of Florida Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

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

17. Restrictions, Prohibitions, Controls and Labor Provisions:

- a. **Convicted Vendor List.** A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, Florida Statutes, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.
- b. **Discriminatory Vendor List.** In accordance with Section 287.134, Florida Statutes, an entity or affiliate who has been placed on the Discriminatory Vendor List, kept by the Florida Department of Management Services, may not submit a bid on a contract to provide goods or services to a public entity; may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work; may not submit bids on leases of real property to a public entity; may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity; and may not transact business with any public entity.

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- c. **Non-Responsible Contractors.** An entity or affiliate who has had its Certificate of Qualification suspended, revoked, denied, or have further been determined by the Department to be a non-responsible contractor, may not submit a bid or perform work for the construction or repair of a public building or public work on a contract with the Agency.
- d. **Prohibition on Using Funds for Lobbying.** No funds received pursuant to this Agreement may be expended for lobbying the Florida Legislature, judicial branch, or any state agency, in accordance with Section 216.347, Florida Statutes.
- e. **Unauthorized Aliens.** The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of the Immigration and Nationality Act. If the contractor knowingly employs unauthorized aliens, such violation will be cause for unilateral cancellation of this Agreement.
- f. **Procurement of Construction Services.** If the Project is procured pursuant to Chapter 255, Florida Statutes, for construction services and at the time of the competitive solicitation for the Project, 50 percent or more of the cost of the Project is to be paid from state-appropriated funds, then the Agency must comply with the requirements of Section 255.0991, Florida Statutes.
- g. **E-Verify.** The Agency shall:
 - i. Utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the Agency during the term of the contract; and
 - ii. Expressly require any subcontractors performing work or providing services pursuant to the state contract to likewise utilize the U.S. Department of Homeland Security's E-Verify system to verify the employment eligibility of all new employees hired by the subcontractor during the contract term.
- h. **Projects with Non-profit Organizations.** Pursuant to Section 216.1366, Florida Statutes, if the Agency is a nonprofit organization as defined in Section 215.97(2)(m), Florida Statutes, the Agency shall provide documentation to indicate the amount of state funds:
 - i. Allocated to be used during the full term of this Agreement for remuneration to any member of the board of directors or an officer of the Agency
 - ii. Allocated under each payment by the Department to be used for remuneration of any member of the board of directors or an officer of the Agency. The documentation must indicate the amounts and recipients of the remuneration.

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

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

- iii. "Officer" means a chief executive officer, chief financial officer, chief operating officer, or any other position performing and equivalent function.
- iv. "Remuneration" means all compensation earned by or awarded to personnel, whether paid or accrued, regardless of contingency, including bonuses, accrued paid time off,

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severance payments, incentive payments, contributions to a retirement plan or in-kind payments, reimbursements, or allowances for moving expenses, vehicles and other transportation, telephone services, medical services, housing and meals.

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

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

18. Indemnification and Insurance:

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

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

This indemnification shall survive the termination of this Agreement."

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

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operators or other personnel who are employees of independent contractors, sole proprietorships, or partners are covered by insurance required under Florida's Workers' Compensation law.

- c. If the Agency elects to self-perform the Project, then the Agency may self-insure. If the Agency elects to hire a contractor or consultant to perform the Project, then the Agency shall carry, or cause its contractor or consultant to carry, Commercial General Liability insurance providing continuous coverage for all work or operations performed under this Agreement. Such insurance shall be no more restrictive than that provided by the latest occurrence form edition of the standard Commercial General Liability Coverage Form (ISO Form CG 00 01) as filed for use in the State of Florida. The Agency shall cause, or cause its contractor or consultant to cause, the Department to be made an Additional Insured as to such insurance. Such coverage shall be on an "occurrence" basis and shall include Products/Completed Operations coverage. The coverage afforded to the Department as an Additional Insured shall be primary as to any other available insurance and shall not be more restrictive than the coverage afforded to the Named Insured. The limits of coverage shall not be less than \$1,000,000 for each occurrence and not less than a \$5,000,000 annual general aggregate, inclusive of amounts provided by an umbrella or excess policy. The limits of coverage described herein shall apply fully to the work or operations performed under the Agreement, and may not be shared with or diminished by claims unrelated to the Agreement. The policy/ies and coverage described herein may be subject to a deductible and such deductibles shall be paid by the Named Insured. No policy/ies or coverage described herein may contain or be subject to a Retention or a Self-Insured Retention unless the Agency is a state agency or subdivision of the State of Florida that elects to self-perform the Project. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, the Department shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The Department shall be notified in writing within ten days of any cancellation, notice of cancellation, lapse, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights or defenses the Department may have.
- d. When the Agreement includes the construction of a railroad grade crossing, railroad overpass or underpass structure, or any other work or operations within the limits of the railroad right-of-way, including any encroachments thereon from work or operations in the vicinity of the railroad right-of-way, the Agency shall, or cause its contractor to, in addition to the insurance coverage required above, procure and maintain Railroad Protective Liability Coverage (ISO Form CG 00 35) where the railroad is the Named Insured and where the limits are not less than \$2,000,000 combined single limit for bodily injury and/or property damage per occurrence, and with an annual aggregate limit of not less than \$6,000,000. The railroad shall also be added along with the Department as an Additional Insured on the policy/ies procured pursuant to the paragraph above. Prior to the execution of the Agreement, and at all renewal periods which occur prior to final acceptance of the work, both the Department and the railroad shall be provided with an ACORD Certificate of Liability Insurance reflecting the coverage described herein. The insurance described herein shall be maintained through final acceptance of the work. Both the Department and the railroad shall be notified in writing within ten days of any cancellation, notice of cancellation, renewal, or proposed change to any policy or coverage described herein. The Department's approval or failure to disapprove any policy/ies, coverage, or ACORD Certificates shall not relieve or excuse any obligation to procure and maintain the insurance required herein, nor serve as a waiver of any rights the Department may have.
- e. When the Agreement involves work on or in the vicinity of utility-owned property or facilities, the utility shall be added along with the Department as an Additional Insured on the Commercial General Liability policy/ies procured above.

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19. Miscellaneous:

- a. Environmental Regulations.** The Agency will be solely responsible for compliance with all applicable environmental regulations and for any liability arising from non-compliance with these regulations, and will reimburse the Department for any loss incurred in connection therewith.
- b. Non-Admission of Liability.** In no event shall the making by the Department of any payment to the Agency constitute or be construed as a waiver by the Department of any breach of covenant or any default which may then exist on the part of the Agency and the making of such payment by the Department, while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to the Department with respect to such breach or default.
- c. Severability.** If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected. In such an instance, the remainder would then continue to conform to the terms and requirements of applicable law.
- d. Agency not an agent of Department.** The Agency and the Department agree that the Agency, its employees, contractors, subcontractors, consultants, and subconsultants are not agents of the Department as a result of this Agreement.
- e. Bonus or Commission.** By execution of the Agreement, the Agency represents that it has not paid and, also agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the financing hereunder.
- f. Non-Contravention of State Law.** Nothing in the Agreement shall require the Agency to observe or enforce compliance with any provision or perform any act or do any other thing in contravention of any applicable state law. If any of the provisions of the Agreement violate any applicable state law, the Agency will at once notify the Department in writing so that appropriate changes and modifications may be made by the Department and the Agency to the end that the Agency may proceed as soon as possible with the Project.
- g. Execution of Agreement.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute the same Agreement. A facsimile or electronic transmission of this Agreement with a signature on behalf of a party will be legal and binding on such party.
- h. Federal Award Identification Number (FAIN).** If the FAIN is not available prior to execution of the Agreement, the Department may unilaterally add the FAIN to the Agreement without approval of the Agency and without an amendment to the Agreement. If this occurs, an updated Agreement that includes the FAIN will be provided to the Agency and uploaded to the Department of Financial Services' Florida Accountability Contract Tracking System (FACTS).
- i. Inspector General Cooperation.** The Agency agrees to comply with Section 20.055(5), Florida Statutes, and to incorporate in all subcontracts the obligation to comply with Section 20.055(5), Florida Statutes.
- j. Law, Forum, and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. In the event of a conflict between any portion of the contract and Florida law, the laws of Florida shall prevail. The Agency agrees to waive forum and venue and that the Department shall determine the forum and venue in which any dispute under this Agreement is decided.

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

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AGENCY Titusville-Cocoa Airport District

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION

By: _____

By: _____

Name: _____

Name: C. Jack Adkins

Title: _____

Title: Director of Transportation Development

STATE OF FLORIDA, DEPARTMENT OF TRANSPORTATION
Legal Review:

Daniel L. McDermott

STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION
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EXHIBIT A

Project Description and Responsibilities

A. Project Description (description of Agency's project to provide context, description of project components funded via this Agreement (if not the entire project)): Building acquisition at Authur Dunn Airpark - This acquisition T-hangar Buildings 4, 5, and 6 will assist the Authority by enhancing cash flow, increase annual revenues and allow the Authority to remain financially self-sustaining as required by grant assurances.

B. Project Location (limits, city, county, map): Arthur Dunn Air Park/Titusville, FL/Brevard

C. Project Scope (allowable costs: describe project components, improvement type/service type, approximate timeline, project schedule, project size): As required by 215.971, F.S., this scope of work includes but is not limited to consultant and legal fees, costs of survey, appraisals, title search, deed preparation and land acquisition. It includes all materials, equipment, labor, and incidentals required to complete transfer of the subject property or properties to the sponsor.

The specifics of the Project Scope are described in the Appraisal of Real Property Report conducted by the Slack Johnston Magenheimer dated December 24, 2024. The Sponsor will comply with Aviation Program Assurances.

D. Deliverable(s): Final close out documents to be uploaded in JACIP.

The project scope identifies the ultimate project deliverables. Deliverables for requisition, payment and invoice purposes will be the incremental progress made toward completion of project scope elements. Supporting documentation will be quantifiable, measurable, and verifiable, to allow for a determination of the amount of incremental progress that has been made, and provide evidence that the payment requested is commensurate with the accomplished incremental progress and costs incurred by the Agency.

E. Unallowable Costs (including but not limited to): Not Applicable

F. Transit Operating Grant Requirements (Transit Only):

Transit Operating Grants billed as an operational subsidy will require an expenditure detail report from the Agency that matches the invoice period. The expenditure detail, along with the progress report, will be the required deliverables for Transit Operating Grants. Operating grants may be issued for a term not to exceed three years from execution. The original grant agreement will include funding for year one. Funding for years two and three will be added by amendment as long as the grantee has submitted all invoices on schedule and the project deliverables for the year have been met.

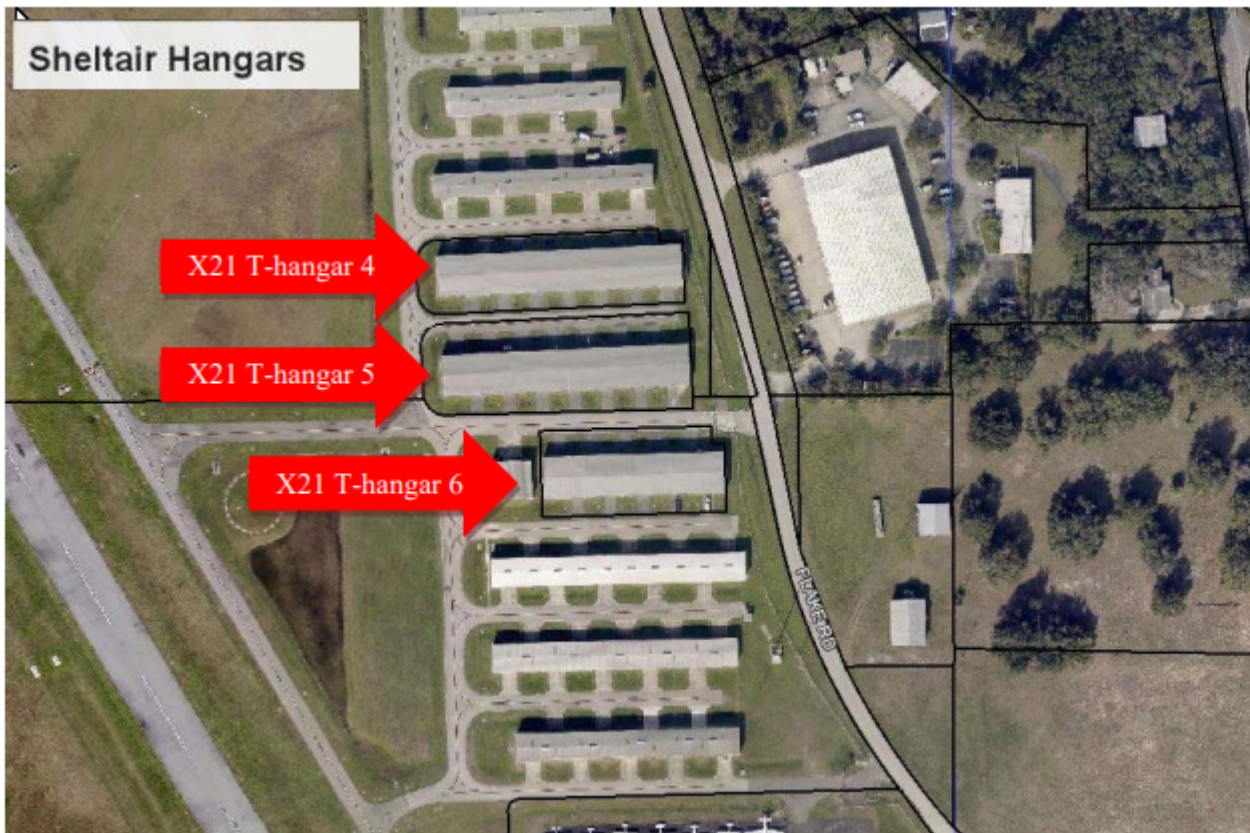
Sheltair Hangars

X21 T-hangar 4

X21 T-hangar 5

X21 T-hangar 6

FLANKERS



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EXHIBIT B

Schedule of Financial Assistance

FUNDS AWARDED TO THE AGENCY AND REQUIRED MATCHING FUNDS PURSUANT TO THIS AGREEMENT
CONSIST OF THE FOLLOWING:

A. Fund Type and Fiscal Year:

Financial Management Number	Fund Type	FLAIR Category	State Fiscal Year	Object Code	CSFA/CFDA Number	CSFA/CFDA Title or Funding Source Description	Funding Amount
456310-1-94-01	DDR	088719	2025	751000	55.004	Aviation Grant Program	\$640,000.00
456310-1-94-01	LF	088719	2025	751000	55.004	Aviation Grant Program	\$640,000.00
Total Financial Assistance							\$1,280,000.00

B. Estimate of Project Costs by Grant Phase:

Phases*	State	Local	Federal	Totals	State %	Local %	Federal %
Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Planning	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Environmental/Design/Construction	\$640,000.00	\$640,000.00	\$0.00	\$1,280,000.00	50.00	50.00	0.00
Capital Equipment/ Preventative Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Match to Direct Federal Funding	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Mobility Management (Transit Only)	\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00	0.00
Totals	\$640,000.00	\$640,000.00	\$0.00	\$1,280,000.00			

*Shifting items between these grant phases requires execution of an Amendment to the Public Transportation Grant Agreement.

Scope Code and/or Activity Line Item (ALI) (Transit Only)	
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BUDGET/COST ANALYSIS CERTIFICATION AS REQUIRED BY SECTION 216.3475, FLORIDA STATUTES:

I certify that the cost for each line item budget category (grant phase) has been evaluated and determined to be allowable, reasonable, and necessary as required by Section 216.3475, Florida Statutes. Documentation is on file evidencing the methodology used and the conclusions reached.

Luciana Taylor

Department Grant Manager Name

Signature

Date

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EXHIBIT D

AGENCY RESOLUTION

PLEASE SEE ATTACHED

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EXHIBIT E

**PROGRAM SPECIFIC TERMS AND CONDITIONS - AVIATION
AVIATION PROGRAM ASSURANCES**

A. General.

1. The assurances herein shall form an integral part of the Agreement between the Department and the Agency.
2. These assurances delineate the obligations of the Parties to this Agreement to ensure their commitment and compliance with specific provisions of **Exhibit “A”, Project Description and Responsibilities**, and **Exhibit “B”, Schedule of Financial Assistance**, as well as serving to protect public investment in public-use airports and the continued viability of the Florida Aviation System.
3. The Agency shall comply with the assurances as specified in this Agreement.
4. The terms and assurances of this Agreement shall remain in full force and effect throughout the useful life of a facility developed; equipment acquired; or Project items installed within a facility for an airport development or noise compatibility program project, but shall not exceed 20 years from the effective date of this Agreement.
5. There shall be no limit on the duration of the terms and assurances of this Agreement regarding Exclusive Rights and Airport Revenue so long as the property is used as a public airport.
6. There shall be no limit on the duration of the terms and assurances of this Agreement with respect to real property acquired with funds provided by this Agreement.
7. Subject to appropriations, the Department shall continue to comply with its financial commitment to this Project under the terms of this Agreement, until such time as the Department may determine that the Agency has failed to comply with the terms and assurances of this Agreement.
8. An Agency that has been determined by the Department to have failed to comply with either the terms of these Assurances, or the terms of the Agreement, or both, shall be notified, in writing, by the Department, identifying the specifics of the non-compliance and any corrective action by the Agency to remedy the failure.
9. Failure by the Agency to satisfactorily remedy the non-compliance shall absolve the Department's continued financial commitment to this Project and immediately require the Agency to repay the Department the full amount of funds expended by the Department on this Project.
10. Any history of failure to comply with the terms and assurances of an Agreement will jeopardize the Agency's eligibility for further state funding of airport projects by the Department.

B. Agency Compliance Certification.

1. **General Certification.** The Agency hereby certifies, with respect to this Project, it will comply, within its authority, with all applicable, current laws and rules of the State of Florida and applicable local governments, as well as Department policies, guidelines, and requirements, including but not limited to, the following (latest version of each document):
 - a. **Florida Statutes (F.S.)**
 - Chapter 163, F.S., Intergovernmental Programs
 - Chapter 329, F.S., Aircraft: Title; Liens; Registration; Liens
 - Chapter 330, F.S., Regulation of Aircraft, Pilots, and Airports
 - Chapter 331, F.S., Aviation and Aerospace Facilities and Commerce
 - Chapter 332, F.S., Airports and Other Air Navigation Facilities
 - Chapter 333, F.S., Airport Zoning

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b. Florida Administrative Code (FAC)

- Chapter 73C-41, FAC, Community Planning; Governing the Procedure for the Submittal and Review of Local Government Comprehensive Plans and Amendments
- Chapter 14-60, FAC, Airport Licensing, Registration, and Airspace Protection
- Section 62-256.300, FAC, Open Burning, Prohibitions
- Section 62-701.320(13), FAC, Solid Waste Management Facility Permit Requirements, General, Airport Safety

c. Local Government Requirements

- Airport Zoning Ordinance
- Local Comprehensive Plan

d. Department Requirements

- Eight Steps of Building a New Airport
- Florida Airport Revenue Use Guide
- Florida Aviation Project Handbook
- Guidebook for Airport Master Planning
- Airport Compatible Land Use Guidebook

- 2. Construction Certification.** The Agency hereby certifies, with respect to a construction-related project, that all design plans and specifications will comply with applicable federal, state, local, and professional standards, as well as Federal Aviation Administration (FAA) Advisory Circulars (AC's) and FAA issued waivers thereto, including but not limited to, the following:

a. Federal Requirements

- FAA AC 70/7460-1, Obstruction Marking and Lighting
- FAA AC 150/5300-13, Airport Design
- FAA AC 150/5370-2, Operational Safety on Airports During Construction
- FAA AC 150/5370-10, Standards for Specifying Construction of Airports

b. Local Government Requirements

- Local Building Codes
- Local Zoning Codes

c. Department Requirements

- Manual of Uniform Minimum Standards for Design, Construction and Maintenance for Streets and Highways (Commonly Referred to as the "Florida Green Book")
- Manual on Uniform Traffic Control Devices
- Section 14-60.007, FAC, Airfield Standards for Licensed Airports
- Standard Specifications for Construction of General Aviation Airports
- Design Guidelines & Minimum Standard Requirements for T-Hangar Projects

- 3. Land Acquisition Certification.** The Agency hereby certifies, regarding land acquisition, that it will comply with applicable federal and/or state policies, regulations, and laws, including but not limited to the following:

a. Federal Requirements

- Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970
- National Environmental Policy of 1969
- FAA Order 5050.4, National Environmental Policy Act Implementing Instructions for Airport Projects
- FAA Order 5100.37B, Land Acquisition and Relocation Assistance for Airport Projects

b. Florida Requirements

- Chapter 73, F.S., Eminent Domain (re: Property Acquired Through Condemnation)
- Chapter 74, F.S., Proceedings Supplemental to Eminent Domain (re: Condemnation)
- Section 286.23, F.S., Public Business: Miscellaneous Provisions

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C. Agency Authority.

1. **Legal Authority.** The Agency hereby certifies, with respect to this Agreement, that it has the legal authority to enter into this Agreement and commit to this Project; that a resolution, motion, or similar action has been duly adopted or passed as an official act of the airport sponsor's governing body authorizing this Agreement, including assurances contained therein, and directing and authorizing the person identified as the official representative of the governing body to act on its behalf with respect to this Agreement and to provide any additional information as may be required.
2. **Financial Authority.** The Agency hereby certifies, with respect to this Agreement, that it has sufficient funds available for that portion of the Project costs which are not paid by the U.S. Government or the State of Florida; that it has sufficient funds available to assure future operation and maintenance of items funded by this Project, which it will control; and that authority has been granted by the airport sponsor governing body to commit those funds to this Project.

D. Agency Responsibilities. The Agency hereby certifies it currently complies with or will comply with the following responsibilities:

1. Accounting System.

- a. The Agency shall create and maintain a separate account to document all of the financial transactions related to the airport as a distinct entity.
- b. The accounting records shall be kept by the Agency or its authorized representative in accordance with Generally Accepted Accounting Principles and in an accounting system that will facilitate an effective audit in accordance with the 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Section 215.97, F.S., Florida Single Audit Act.
- c. The Department has the right to audit and inspect all financial records of the Agency upon reasonable notice.

2. Good Title.

- a. The Agency holds good title, satisfactory to the Department, to the airport or site thereof, or gives assurance, satisfactory to the Department, that good title will be obtained.
- b. For noise compatibility program projects undertaken on the airport sponsor's property, the Agency holds good title, satisfactory to the Department, to that portion of the property upon which state funds will be expended, or gives assurance, satisfactory to the Department, that good title will be obtained.

3. Preserving Rights and Powers.

- a. The Agency shall not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms and assurances of this Agreement without the written approval of the Department. Further, the Agency shall act promptly to acquire, extinguish, or modify, in a manner acceptable to the Department, any outstanding rights or claims of right of others which would interfere with such performance by the Agency.
- b. If an arrangement is made for management and operation of the airport by any entity or person other than the Agency or an employee of the Agency, the Agency shall reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with the terms and assurances of this Agreement.

4. Hazard Removal and Mitigation.

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- a. For airport hazards located on airport controlled property, the Agency shall clear and protect terminal airspace required for instrument and visual operations at the airport (including established minimum flight altitudes) by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.
- b. For airport hazards not located on airport controlled property, the Agency shall work in conjunction with the governing public authority or private land owner of the property to clear and protect terminal airspace required for instrument and visual operations at the airport (including established minimum flight altitudes) by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards. The Agency may enter into an agreement with surrounding property owners or pursue available legal remedies to remove potential hazards to air navigation.

5. Airport Compatible Land Use.

- a. The Agency assures that appropriate airport zoning ordinances are in place consistent with Section 333.03, F.S., or if not in place, that it will take appropriate action necessary to ensure local government adoption of an airport zoning ordinance or execution of an interlocal agreement with another local government body having an airport zoning ordinance, consistent with the provisions of Section 333.03, F.S.
- b. The Agency assures that it will disapprove or oppose any attempted alteration or creation of objects, natural or man-made, dangerous to navigable airspace or that would adversely affect the current or future levels of airport operations.
- c. The Agency assures that it will disapprove or oppose any attempted change in local land use development regulations that would adversely affect the current or future levels of airport operations by creation or expansion of airport incompatible land use areas.

6. Consistency with Local Government Plans.

- a. The Agency assures the Project is consistent with the currently existing and planned future land use development plans approved by the local government having jurisdictional responsibility for the area surrounding the airport.
- b. The Agency assures that it has given fair consideration to the interest of local communities and has had reasonable consultation with those parties affected by the Project.
- c. The Agency shall consider and take appropriate actions, if deemed warranted by the Agency, to adopt the current, approved Airport Master Plan into the local government comprehensive plan.

7. Consistency with Airport Master Plan and Airport Layout Plan.

- a. The Agency assures that the project, covered by the terms and assurances of this Agreement, is consistent with the most current Airport Master Plan.
- b. The Agency assures that the Project, covered by the terms and assurances of this Agreement, is consistent with the most current, approved Airport Layout Plan (ALP), which shows:
 - 1) The boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the Agency for airport purposes and proposed additions thereto;
 - 2) The location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars, and roads), including all proposed extensions and reductions of existing airport facilities; and
 - 3) The location of all existing and proposed non-aviation areas on airport property and of all existing improvements thereon.

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- c. The Agency assures that it will not make or permit any changes or alterations on the airport or any of its facilities that are not consistent with the Airport Master Plan and the Airport Layout Plan, as approved by the Department.
- d. Original Airport Master Plans and Airport Layout Plans and each amendment, revision, or modification thereof, will be subject to the approval of the Department.

8. Airport Financial Plan.

- a. The Agency assures that it will develop and maintain a cost-feasible Airport financial plan to accomplish the projects necessary to achieve the proposed airport improvements identified in the Airport Master Plan and depicted in the Airport Layout Plan, and any updates thereto. The Agency's Airport financial plan must comply with the following conditions:
 - 1) The Airport financial plan will be a part of the Airport Master Plan.
 - 2) The Airport financial plan will realistically assess project phasing considering availability of state and local funding and likelihood of federal funding under the FAA's priority system.
 - 3) The Airport financial plan will not include Department funding for projects that are inconsistent with the local government comprehensive plan.
- b. All Project cost estimates contained in the Airport financial plan shall be entered into and kept current in the Florida Aviation Database (FAD) Joint Automated Capital Improvement Program (JACIP) website.

- 9. Airport Revenue.** The Agency assures that all revenue generated by the airport will be expended for capital improvement or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the air transportation of passengers or property, or for environmental or noise mitigation purposes on or off the airport.

10. Fee and Rental Structure.

- a. The Agency assures that it will maintain a fee and rental structure for facilities and services at the airport that it will make the airport as self-sustaining as possible under the circumstances existing at the particular airport.
- b. If this Agreement results in a facility that will be leased or otherwise produce revenue, the Agency assures that the price charged for that facility will be based on the market value.

11. Public-Private Partnership for Aeronautical Uses.

- a. If the airport owner or operator and a person or entity that owns an aircraft or an airport tenant or potential tenant agree that an aircraft hangar or tenant-specific facility, respectively, is to be constructed on airport property for aircraft storage or tenant use at the expense of the aircraft owner or tenant, the airport owner or operator may grant to the aircraft owner or tenant of the facility a lease that is subject to such terms and conditions on the facility as the airport owner or operator may impose, subject to approval by the Department.
- b. The price charged for said lease will be based on market value, unless otherwise approved by the Department.

12. Economic Nondiscrimination.

- a. The Agency assures that it will make the airport available as an airport for public use on reasonable terms without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public.
 - 1) The Agency may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

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- 2) The Agency may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

- b. The Agency assures that each airport Fixed-Based Operator (FBO) shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other FBOs making the same or similar uses of such airport and utilizing the same or similar facilities.

13. Air and Water Quality Standards. The Agency assures that all projects involving airport location, major runway extension, or runway location will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards.

14. Operations and Maintenance.

- a. The Agency assures that the airport and all facilities, which are necessary to serve the aeronautical users of the airport, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable federal and state agencies for maintenance and operation, as well as minimum standards established by the Department for State of Florida licensing as a public-use airport.
 - 1) The Agency assures that it will not cause or permit any activity or action thereon which would interfere with its use for airport purposes.
 - 2) Except in emergency situations, any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Department.
 - 3) The Agency assures that it will have arrangements for promptly notifying airmen of any condition affecting aeronautical use of the airport.
- b. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when adverse weather conditions interfere with safe airport operations.

15. Federal Funding Eligibility.

- a. The Agency assures it will take appropriate actions to maintain federal funding eligibility for the airport and it will avoid any action that renders the airport ineligible for federal funding.
- b. If the Agency becomes ineligible for federal funding of airport projects, such determination will render the Agency ineligible for state funding of airport projects.

16. Project Implementation.

- a. The Agency assures that it will begin making expenditures or incurring obligations pertaining to this Project within one year after the effective date of this Agreement.
- b. The Agency may request a one-year extension of this one-year time period, subject to approval by the Department District Secretary or designee.
- c. Failure of the Agency to make expenditures, incur obligations or receive an approved extension may allow the Department to terminate this Agreement.

17. Exclusive Rights. The Agency assures that it will not permit any exclusive right for use of the airport by any person providing, or intending to provide, aeronautical services to the public.

18. Airfield Access.

- a. The Agency assures that it will not grant or allow general easement or public access that opens onto or crosses the airport runways, taxiways, flight line, passenger facilities, or any area used for emergency

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equipment, fuel, supplies, passengers, mail and freight, radar, communications, utilities, and landing systems, including but not limited to flight operations, ground services, emergency services, terminal facilities, maintenance, repair, or storage, except for those normal airport providers responsible for standard airport daily services or during special events at the airport open to the public with limited and controlled access.

- b. The Agency assures that it will not grant or allow general easement or public access to any portion of the airfield from adjacent real property which is not owned, operated, or otherwise controlled by the Agency without prior Department approval.

19. Retention of Rights and Interests. The Agency will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the real property shown as airport owned or controlled on the current airport layout plan without prior written approval by the Department. It will not sell, lease, encumber, terminate, waive, or otherwise transfer or dispose of any part of its title, rights, or other interest in existing noise easements or aviation easements on any property, airport or non-airport, without prior written approval by the Department. These assurances shall not limit the Agency's right to lease airport property for airport-compatible purposes.

20. Consultant, Contractor, Scope, and Costs.

- a. The Department has the right to disapprove the Agency's employment of consultants, contractors, and subcontractors for all or any part of this Project if the specific consultants, contractors, or subcontractors have a record of poor project performance with the Department.
- b. Further, the Department maintains the right to disapprove the proposed Project scope and cost of professional services.

21. Planning Projects. For all planning projects or other aviation studies, the Agency assures that it will:

- a. Execute the project per the approved project narrative or with approved modifications.
- b. Furnish the Department with such periodic project and work activity reports as indicated in the approved scope of services.
- c. Make such project materials available for public review, unless exempt from public disclosure.
 - 1) Information related to airport security is considered restricted information and is exempt from public dissemination per Sections 119.071(3) and 331.22 F.S.
 - 2) No materials prepared under this Agreement shall be subject to copyright in the United States or any other country.
- d. Grant the Department unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this Agreement.
- e. If the Project involves developing an Airport Master Plan or an Airport Layout Plan, and any updates thereto, it will be consistent with provisions of the Florida Aviation System Plan, will identify reasonable future growth of the airport and the Agency will comply with the Department airport master planning guidebook, including:
 - 1) Provide copies, in electronic and editable format, of final Project materials to the Department, including computer-aided drafting (CAD) files of the Airport Layout Plan.
 - 2) Develop a cost-feasible financial plan, approved by the Department, to accomplish the projects described in the Airport Master Plan or depicted in the Airport Layout Plan, and any updates thereto. The cost-feasible financial plan shall realistically assess Project phasing considering availability of state and local funding and federal funding under the FAA's priority system.
 - 3) Enter all projects contained in the cost-feasible plan in the Joint Automated Capital Improvement Program (JACIP).

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- f. The Agency understands and agrees that Department approval of this Agreement or any planning material developed as part of this Agreement does not constitute or imply any assurance or commitment on the part of the Department to approve any pending or future application for state aviation funding.
- g. The Agency will submit master planning draft and final deliverables for Department and, if required, FAA approval prior to submitting any invoices to the Department for payment.

22. Land Acquisition Projects. For the purchase of real property, the Agency assures that it will:

- a. **Laws.** Acquire the land in accordance with federal and/or state laws governing such action.
- b. **Administration.** Maintain direct control of Project administration, including:
 - 1) Maintain responsibility for all related contract letting and administrative procedures related to the purchase of real property.
 - 2) Secure written Department approval to execute each agreement for the purchase of real property with any third party.
 - 3) Ensure a qualified, State-certified general appraiser provides all necessary services and documentation.
 - 4) Furnish the Department with a projected schedule of events and a cash flow projection within 20 calendar days after completion of the review appraisal.
 - 5) Establish a Project account for the purchase of the land.
 - 6) Collect and disburse federal, state, and local project funds.
- c. **Reimbursable Funds.** If funding conveyed by this Agreement is reimbursable for land purchase in accordance with Chapter 332, F.S., the Agency shall comply with the following requirements:
 - 1) The Agency shall apply for a FAA Airport Improvement Program grant for the land purchase within 60 days of executing this Agreement.
 - 2) If federal funds are received for the land purchase, the Agency shall notify the Department, in writing, within 14 calendar days of receiving the federal funds and is responsible for reimbursing the Department within 30 calendar days to achieve normal project federal, state, and local funding shares per Chapter 332, F.S.
 - 3) If federal funds are not received for the land purchase, the Agency shall reimburse the Department within 30 calendar days after the reimbursable funds are due in order to achieve normal project state and local funding shares as described in Chapter 332, F.S.
 - 4) If federal funds are not received for the land purchase and the state share of the purchase is less than or equal to normal state and local funding shares per Chapter 332, F.S., when reimbursable funds are due, no reimbursement to the Department shall be required.
- d. **New Airport.** If this Project involves the purchase of real property for the development of a new airport, the Agency assures that it will:
 - 1) Apply for federal and state funding to construct a paved runway, associated aircraft parking apron, and connecting taxiway within one year of the date of land purchase.
 - 2) Complete an Airport Master Plan within two years of land purchase.
 - 3) Complete airport construction for basic operation within 10 years of land purchase.
- e. **Use of Land.** The Agency assures that it shall use the land for aviation purposes in accordance with the terms and assurances of this Agreement within 10 years of acquisition.
- f. **Disposal of Land.** For the disposal of real property the Agency assures that it will comply with the following:
 - 1) For land purchased for airport development or noise compatibility purposes, the Agency shall, when the land is no longer needed for such purposes, dispose of such land at fair market value and/or make available to the Department an amount equal to the state's proportionate share of its market value.

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- 2) Land will be considered to be needed for airport purposes under this assurance if:
 - a) It serves aeronautical purposes such as a runway protection zone or as a noise buffer.
 - b) Revenue from uses of such land contributes to airport financial self-sufficiency.
- 3) Disposition of land under Sections D.22.f.1. or D.22.f.2. of this Exhibit, above, shall be subject to retention or reservation of any interest or right therein needed to ensure such land will only be used for purposes compatible with noise levels related to airport operations.
- 4) Revenues from the sale of such land must be accounted for as outlined in Section D.1. of this Exhibit, and expended as outlined in Section D.9. of this Exhibit.

23. Construction Projects. The Agency assures that it will:

a. Project Certifications. Certify Project compliances, including:

- 1) Consultant and contractor selection comply with all applicable federal, state and local laws, rules, regulations, and policies.
- 2) All design plans and specifications comply with federal, state, and professional standards and applicable FAA advisory circulars, as well as the minimum standards established by the Department for State of Florida licensing as a public-use airport.
- 3) Completed construction complies with all applicable local building codes.
- 4) Completed construction complies with the Project plans and specifications with certification of that fact by the Project Engineer.

b. Design Development. For the plans, specifications, construction contract documents, and any and all other engineering, construction, and contractual documents produced by the Engineer, which are hereinafter collectively referred to as "plans", the Engineer will certify that:

- 1) The plans shall be developed in accordance with sound engineering and design principles, and with generally accepted professional standards.
- 2) The plans shall be consistent with the intent of the Project as defined in Exhibit A and Exhibit B of this Agreement.
- 3) The Project Engineer shall perform a review of the certification requirements listed in Section B.2. of this Exhibit, Construction Certification, and make a determination as to their applicability to this Project.
- 4) Development of the plans shall comply with all applicable laws, ordinances, zoning and permitting requirements, public notice requirements, and other similar regulations.

c. Inspection and Approval. The Agency assures that:

- 1) The Agency will provide and maintain competent technical supervision at the construction site throughout the Project to assure that the work conforms to the plans, specifications, and schedules approved by the Department, as applicable, for the Project.
- 2) The Agency assures that it will allow the Department to inspect the work and that it will provide any cost and progress reporting, as may be required by the Department.
- 3) The Agency assures that it will take the appropriate corrective action necessary, as required by the Department, for work which does not conform to the Department standards.

d. Pavement Preventive Maintenance. The Agency assures that for a project involving replacement or reconstruction of runway or taxiway pavement it has implemented an airport pavement maintenance management program and that it will use such program for the useful life of any pavement constructed, reconstructed, or repaired with state financial assistance at the airport.

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24. Noise Mitigation Projects. The Agency assures that it will:

- a. Government Agreements.** For all noise compatibility projects that are carried out by another unit of local government or are on property owned by a unit of local government other than the Agency, the Agency shall enter into an agreement with that government body.
 - 1) The local agreement, satisfactory to the Department, shall obligate the unit of local government to the same terms and assurances that apply to the Agency.
 - 2) The Agency assures that it will take steps to enforce the local agreement if there is substantial non-compliance with the terms of the local agreement.
- b. Private Agreements.** For noise compatibility projects on privately owned property:
 - 1) The Agency shall enter into an agreement with the owner of that property to exclude future actions against the airport.
 - 2) The Agency assures that it will take steps to enforce such agreement if there is substantial non-compliance with the terms of the agreement.

- End of Exhibit E -

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Exhibit E1

PROGRAM SPECIFIC TERMS AND CONDITIONS

(Prohibition on Discrimination Based on Health Care Choices)

This exhibit forms an integral part of the Agreement between the Department and the Agency.

1. **Statutory Reference.** Section 339.08, F.S. and Section 381.00316, F.S.
2. **Statutory Compliance.** Pursuant to Section 339.08, F.S., the Department may not expend state funds to support a project or program of certain entities if the entity is found to be in violation of Section 381.00316, F.S. The Department shall withhold state funds until the entity is found to be in compliance with Section 381.00316, F.S. This shall apply to any of the following entities:
 - a. A public transit provider as defined in s. 341.031(1), F.S.;
 - b. An authority created pursuant to chapter 343, F.S., chapter 348, F.S., or chapter 349, F.S.; c. A public-use airport as defined in s. 332.004, F.S.; or
 - d. A port listed in s. 311.09(1), F.S.

- End of Exhibit E1 -

EXHIBIT F

Contract Payment Requirements
Florida Department of Financial Services, Reference Guide for State Expenditures
Cost Reimbursement Contracts

Invoices for cost reimbursement contracts must be supported by an itemized listing of expenditures by category (salary, travel, expenses, etc.). Supporting documentation shall be submitted for each amount for which reimbursement is being claimed indicating that the item has been paid. Documentation for each amount for which reimbursement is being claimed must indicate that the item has been paid. Check numbers may be provided in lieu of copies of actual checks. Each piece of documentation should clearly reflect the dates of service. Only expenditures for categories in the approved agreement budget may be reimbursed. These expenditures must be allowable (pursuant to law) and directly related to the services being provided.

Listed below are types and examples of supporting documentation for cost reimbursement agreements:

(1) Salaries: A payroll register or similar documentation should be submitted. The payroll register should show gross salary charges, fringe benefits, other deductions and net pay. If an individual for whom reimbursement is being claimed is paid by the hour, a document reflecting the hours worked times the rate of pay will be acceptable.

(2) Fringe Benefits: Fringe Benefits should be supported by invoices showing the amount paid on behalf of the employee (e.g., insurance premiums paid). If the contract specifically states that fringe benefits will be based on a specified percentage rather than the actual cost of fringe benefits, then the calculation for the fringe benefits amount must be shown.

Exception: Governmental entities are not required to provide check numbers or copies of checks for fringe benefits.

(3) Travel: Reimbursement for travel must be in accordance with Section 112.061, Florida Statutes, which includes submission of the claim on the approved State travel voucher or electronic means.

(4) Other direct costs: Reimbursement will be made based on paid invoices/receipts. If nonexpendable property is purchased using State funds, the contract should include a provision for the transfer of the property to the State when services are terminated. Documentation must be provided to show compliance with Department of Management Services Rule 60A-1.017, Florida Administrative Code, regarding the requirements for contracts which include services and that provide for the contractor to purchase tangible personal property as defined in Section 273.02, Florida Statutes, for subsequent transfer to the State.

(5) In-house charges: Charges which may be of an internal nature (e.g., postage, copies, etc.) may be reimbursed on a usage log which shows the units times the rate being charged. The rates must be reasonable.

(6) Indirect costs: If the contract specifies that indirect costs will be paid based on a specified rate, then the calculation should be shown.

Contracts between state agencies, and/or contracts between universities may submit alternative documentation to substantiate the reimbursement request that may be in the form of FLAIR reports or other detailed reports.

The Florida Department of Financial Services, online Reference Guide for State Expenditures can be found at this web address <https://www.myfloridacfo.com/Division/AA/Manuals/documents/ReferenceGuideforStateExpenditures.pdf>.

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EXHIBIT G

AUDIT REQUIREMENTS FOR AWARDS OF STATE FINANCIAL ASSISTANCE

THE STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:~

Awarding Agency: Florida Department of Transportation

State Project Title: Aviation Grant Program

CSFA Number: 55.004

***Award Amount:** \$640,000

*The award amount may change with amendments

Specific project information for CSFA Number 55.004 is provided at: <https://apps.fldfs.com/fsaa/searchCatalog.aspx>

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT:

State Project Compliance Requirements for CSFA Number 55.004 are provided at:
<https://apps.fldfs.com/fsaa/searchCompliance.aspx>

The State Projects Compliance Supplement is provided at: <https://apps.fldfs.com/fsaa/compliance.aspx>

RESOLUTION NO. 00-25-01

A RESOLUTION APPROVING FDOT PUBLIC TRANSPORTATION GRANT AGREEMENT NO. 456310-1 AND ASSOCIATED RESOLUTION FOR THE ACQUISITION OF THE SHELTAIR AVIATION IMPROVEMENTS LOCATED AT ARTHUR DUNN AIRPARK.

WHEREAS, on January 16, 2025, the Titusville – Cocoa Airport Authority in the regular session adopted Resolution No. 00-24-01, which approved FDOT Public Transportation Grant Agreement No. 456310-1 and Associated Resolution for the Acquisition of the Sheltair Aviation Improvements located at Arthur Dunn Airpark.

NOW, THEREFORE BE IT RESOLVED THAT THE TITUSVILLE-COCOA AIRPORT DISTRICT (also known as Titusville – Cocoa Airport Authority) approves the above-referenced FDOT Public Transportation Grant Agreement and authorizes its Director of Airports, Kevin Daugherty, to execute the required documents.

This Resolution dated and adopted this 16th day of January 2025.

ATTEST:

TITUSVILLE-COCOA AIRPORT DISTRICT

John Craig
Chairman

Kevin Daugherty, AAE
Director of Airports

Approved as to form and legality:

Adam Bird
Airport Attorney



ACTION ITEMS

**APPROVAL: AUTHORIZING THE ACCEPTANCE
OF THE PROPOSAL FROM TRUIST BANK TO
INCREASE THE AUTHORITY'S TAXABLE
REVOLVING LINE OF CREDIT UP TO \$4,000,000
FOR WORKING CAPITAL AND SHORT-TERM
FINANCING IN SUPPORT OF ONGOING CAPITAL
PROJECTS.**



Titusville-Cocoa Airport Authority

Term Sheet

January 10, 2025

Truist Bank (“Bank”), on behalf of itself and its designated affiliate (the “Lender”), is pleased to submit the following summary of terms and conditions for discussion purposes only. The term sheet is non-binding and does not represent a commitment to lend. The term sheet is intended only as an outline of certain material terms of the requested financing and does not purport to summarize all of the conditions, covenants, representations, warranties, and other provisions that would be contained in any definitive documentation for the requested financing.

Lender:	Truist Bank		
Borrower:	Titusville-Cocoa Airport Authority		
Facility/Purpose/Description:	Increase available amount under the existing Taxable Revolving Line of Credit (the “Loan”). The purpose of this Line of Credit will be for working capital/short term financing in support of ongoing capital projects.		
Amount:	Line of Credit will be increased to: Up to \$4,000,000.		
Funding:	The loan may be drawn on or paid down on a revolving basis, with draws limited to no more than 1 per month. No draws should be permitted upon a default or Event of Default.		
Repayment:	Interest will continue to be payable monthly and in full at maturity. Principal payable at maturity.		
Bank Fees:	Unused Fee: 0.35% of the unused Line of Credit balance paid quarterly in arrears.		
Interest Rate:	VARIABLE RATE –		
	Amount	Maturity Date	Tax-Exempt/Taxable
	Up to \$4,000,000	364 Days	Taxable
	Interest Rate		
	Daily SOFR + 1.60%		
	Accrual basis: Act/360.		
	In no event will One-Month Term SOFR ever be less than 0.00%.		

	<p>“SOFR” with respect to any day means the secured overnight financing rate published for such day by the Federal Reserve Bank of New York, as the administrator of the benchmark, (or a successor administrator) on the Federal Reserve Bank of New York’s Website.</p>
Security:	<p>Security shall mean collectively all income, rates, fees, rentals, and other charges, income, and earnings, including any income from the investment of funds as herein provided or contemplated, received by or attributable to or accruing to the Borrower from the ownership or operation of the airport.</p>
Documentation:	<p>All documentation shall appropriately structure the financing according to Federal and State statutes, subject to acceptable review by Lender and its counsel. The note will not be presented for payment unless required by documentation.</p>
Covenants:	<p>Usual and customary covenants, reporting requirements, representations and warranties and events of default, for transactions of this type, including, without limitation, the following financial covenants and reporting requirements:</p> <ul style="list-style-type: none"> • Rate Covenant = 125% as more fully described in existing loan documents. • Annual Financial Statements within 270 days of fiscal year end. • Annual budget within 30 days of adoption. <p>The default rate shall be the lesser of 18% per annum and the maximum rate permitted by law.</p>
Conditions Precedent and Other Terms:	<ol style="list-style-type: none"> 1. <u>Borrower’s Counsel Opinion</u>: An opinion of Borrower’s counsel covering matters customary to transactions such as this and in all respects acceptable to the Bank, the Lender and its counsel. 2. <u>Other Items</u>: The Bank and the Lender shall have received such other documents, instruments, approvals, or opinions as may be reasonably requested.
Lender’s Legal Counsel	<p>The Lender’s legal counsel will be Mike Wiener at Holland & Knight in Lakeland, Florida.</p> <p>Borrower shall be responsible for legal counsel fees of the Lender whether or not the Loan described herein is closed.</p>
Governing Law & Jurisdiction:	<p>State of Florida.</p>

Municipal Advisor Disclosure:	The Bank is a regulated bank and makes direct purchase loans to Municipal Entities and Obligated Persons as defined under the Municipal Advisor Rule, and in this term sheet is solely providing information regarding the terms under which it would make such a purchase for its own account. The Bank is not recommending an action or providing any advice to the Borrower and is not acting as a municipal advisor or financial advisor. The Bank is not serving in a fiduciary capacity pursuant to Section 15B of the Securities Exchange Act of 1934 with respect to the information and material contained in this communication. The Bank is acting in its own interest. Before acting on the information or material contained herein, the Borrower should seek the advice of an IRMA and any other professional advisors which it deems appropriate for the Loan described herein, especially with respect to any legal, regulatory, tax or accounting treatment.
Patriot Act:	Pursuant to the requirements of the Patriot Act, the Bank and its affiliates are required to obtain, verify, and record information that identifies loan obligors, which information includes the name, address, tax identification number and other information regarding obligors that will allow Lender to identify obligors in accordance with the Patriot Act, and Lender is hereby so authorized. This notice is given in accordance with the requirements of the Patriot Act and is effective for the Bank and its affiliates.
Expiration Date:	This Term Sheet shall expire on April 8, 2025 unless a formal commitment letter has been issued prior to such date.



ACTION ITEMS

**APPROVAL: LEASE AGREEMENT WITH HIGH
WING AVIATION, LLC FOR THE
IMPROVEMENTS LOCATED AT 355
GOLDENT KNIGHTS BLVD FACILITY (SUITE
4 AND APRON).**

**TITUSVILLE-COCOA AIRPORT AUTHORITY
LEASE AGREEMENT**

THIS LEASE AGREEMENT (“Lease”) is made to be effective as of the 1st day of February, 2025 (the “**Effective Date**”), by and between the TITUSVILLE-COCOA AIRPORT AUTHORITY, as governing body of the Titusville-Cocoa Airport Authority, a special taxing district existing under the laws of the State of Florida, whose mailing address is 51 Bristow Way, Titusville, Florida 32780 (“**Authority**”), and **High Wing Flight Training, Incorporated**, a Florida Corporation with its principal place of business currently located at 355 Golden Knights Boulevard, Titusville, Florida 32780 (“**Lessee**”).

W I T N E S S E T H:

In consideration of the mutual covenants and agreements herein set forth, Authority and Lessee agree and covenant as follows:

**ARTICLE I
PREMISES AND PERMITTED USES**

1.1 Demise of Premises.

Subject to the terms and conditions set forth in this Lease, Lessor hereby leases unto Lessee, and Lessee hereby leases from Lessor a portion of commercial real property described as Suite 4 of the TCAA Administration Building and depicted in **Exhibit “A”** hereto (the “Premises”), located at the **Space Coast Regional Airport**. The “Premises” consists of approximately 1,503 square feet of office space, 28,636 square feet of apron space, together with four (4) parking spaces within the TCAA Administration Building parking lot, and nothing herein provides Lessee with the right or ability to exclude Lessor or any other third party from those portions of the Administration Building not expressly included as part of the Premises hereunder. Lessee hereby leases the Premises subject to, and Lessee hereby agrees to comply with, (i) all applicable building codes, zoning regulations, and municipal, county, state and federal laws, ordinances and regulations governing or regulating the Premises or its uses, (ii) all covenants, easements and restrictions of record, (iii) “Rules, Regulations, and Minimum Standards Covering Airports Owned or Controlled by the Titusville-Cocoa Airport Authority,” as the same may be amended from time to time (“Minimum Standards”), and (iv) the Space Coast Regional Airport Master Plan, as the same may be amended from time to time (the “Master Plan”).

1.2 Condition of Premises:

Lessee accepts the Premises in “AS-IS” condition. Lessee acknowledges that Authority has made no representations or warranties relating to the suitability of the Premises for any particular use, and unless otherwise expressly provided in this Lease, Authority shall have no obligation whatsoever to repair, maintain, renovate or otherwise incur any cost or expense with respect to the Premises. Lessee shall not permit any unlawful nuisance, waste or injury on the Premises. Lessee agrees to surrender the Premises upon the expiration of this Lease, or earlier

termination hereof, in a condition substantially similar to the condition of the Premises on the Commencement Date, ordinary wear and tear excepted.

1.3 Construction of Improvements by Authority.

Authority, at its own cost, agrees to construct those improvements described on **Exhibit “B”** hereto, unless said exhibit indicates that Authority shall construct no improvements on or in relation to the Premises in which case Authority shall not be responsible in any fashion for the construction of improvements of any kind on the Premises.

1.4 Construction of Improvements/Modifications by Lessee.

Lessee shall be permitted to construct and shall have sole responsibility for construction of the improvements and/or modifications within the Premises described in **Exhibit “C”** hereto, for which Lessee shall obtain all necessary governmental approvals including without limitation engineering approval from the City of Titusville. Any construction by Lessee on the Premises shall be in accordance with local building codes and shall also be governed by **Exhibit “D”** hereto, which is incorporated herein by reference. Any other improvements Lessee wishes to construct upon the Premises, apart from those specifically listed on **Exhibit “C”** hereto, shall be submitted to the Authority in writing for Authority’s approval, which shall be granted or denied by Authority in its sole discretion. Construction of all improvements shall be solely at the expense and cost of the Lessee, and Authority shall not be responsible for the same regardless of Authority providing its approval for construction of such improvements. For clarity and the avoidance of doubt, if there are no improvements listed on **Exhibit “C,”** then Lessee is not permitted to construct any improvements on or within the Premises without the prior written consent of Authority.

1.5 No Entitlement to Lien.

Nothing contained in this Lease shall authorize Lessee to do any act which may create or be the foundation for any lien, mortgage or other encumbrance upon the Premises or of any interest of Authority in the demised Premises or upon or in any building or improvement located thereon, it being agreed that should Lessee cause any alterations, changes, additions, improvements or repairs to be made to or on the Premises, or cause materials to be furnished or labor to be performed therein or thereon, neither Authority nor the Premises shall, under any circumstances, be liable for the payment of any expense incurred or for the value of any work or material furnished to the Premises or any part thereof. Lessee shall upon request of Authority deliver such documents as may be required by Authority in order to effectuate the lien protection required by this paragraph. All such alterations, changes, additions, improvements, repairs, materials and labor, other than those expressly set forth in this Lease to be the responsibility of Authority, shall be at Lessee's expense and Lessee shall be solely and wholly responsible to contractors, subcontractors, laborers and materialmen furnishing labor and material to the Premises, any building or structure thereon or any part thereof. If, because of any act or omission of Lessee, any mechanic’s or other lien or order for the payment of money shall be filed against the Premises or any building or improvement located thereon or against Authority (whether or not such lien or order is valid or enforceable as such), Lessee shall, at Lessee's own cost and expense, within fifteen (15) days after the date of filing thereof, cause the same to be canceled

and discharged of record or furnish Authority with a surety bond issued by a surety company reasonably satisfactory to Authority, protecting Authority from any loss because of nonpayment of such lien claim and further shall indemnify and save harmless the Authority from and against any and all costs, expenses, claims, losses or damages, including Attorneys' Fees (defined below), resulting thereupon or by reason thereof. This Lease expressly provides that the interest of the Authority in the Premises shall not be subject to liens for improvements of any kind made by Lessee, and Authority is authorized to record a memorandum of this Lease to effectuate this section.

1.6 Quiet Enjoyment.

Authority agrees that, subject to Lessee's performance of the terms and conditions of this Lease, Lessee shall peaceably and quietly have, hold and enjoy the Premises in accordance with the terms and conditions of this Lease.

1.7 Permitted Uses.

Lessee shall be permitted to use the Premises only for general office / administration / flight training purposes related to Lessee's business operations, (the "Permitted Uses"). Lessee shall not utilize the Premises for any purpose other than the Permitted Uses without the express, written consent of the Authority.

1.8 Signage.

All signage on the Premises shall comply with the Minimum Standards and must be approved in writing by the Authority in its sole and absolute discretion before being installed.

ARTICLE II

TERM OF LEASEHOLD

2.1 Initial/Base Term of Lease.

The Term of this Lease is defined as the period beginning on the Effective Date and shall run for a period of **five (5) years**, unless sooner terminated in accordance with the terms and provisions hereof.

2.2 Options to Terminate.

Either Party shall have the right, with or without cause to terminate the agreement by providing ninety (90) days written notice to the other party; providing the terminated party has otherwise complied with the material terms and conditions of this agreement and is not in default hereunder.

ARTICLE III

ANNUAL RENT AND FEES

3.1 Annual Rent and Fees.

Lessee shall pay to the Authority annual rent for the Premises (hereinafter referred to as the “Annual Rent”) for each twelve (12) month period or portion thereof during the initial term and any Extension Term of this Lease, beginning with the Commencement Date, in the amount detailed below, which Annual Rent shall be payable on or before the first day of each calendar month (or partial calendar month) thereafter, in amounts equal to one-twelfth (1/12) of the Annual Rent then due, plus any sales or rent taxes due on that installment, in advance, in lawful money of the United States, without deduction or set-off, at the office of the Authority. Annual Rent for a partial month, if any, during the Term of this Lease shall be prorated based on the number of days in such month.

3.2 Calculation of Annual Rent and Fees.

(a) Base Rent: The initial Annual Rent and related charges to be paid to the Authority by Lessee for the Premises beginning with the Commencement Date, which shall be adjusted annually as set forth below, shall be: base rent in the amount of **\$4,500.00** per month (approximately **\$54,000** total annual base rent divided by 12).

3.3 Annual Rental Rate Adjustment.

Each year on the anniversary of the Effective Date (the “Rent Adjustment Date(s)”), all rent and Premises-related payments and charges due Authority from Lessee as set forth in section 3.2 above shall increase by the following schedule:

Year 2	\$59,400	Year 4	\$65,484
Year 3	\$62,376	Year 5	\$68,760

3.4 Delinquent Rent.

Any installment of rent, taxes and/or any other amounts due from Lessee under this Lease that is not received within ten (10) calendar days after it is due shall be considered a material breach of this Lease and shall bear interest from the date when the same was due until paid by Lessee at the interest rate of eighteen percent (18%) per annum. In the event Authority has not received payment from Lessee when due, Authority shall endeavor to send a written notice of non-payment to Lessee, but Authority’s failure to do so shall not affect Lessee’s default nor shall it affect Authority’s rights under the Lease as to Lessee’s default.

3.5 Construction Period. In consideration of Lessee’s buildout of and construction of improvements to the Premises at its own cost and expense, which provide added value to the Authority-owned Premises, base rent due the Authority from Lessee shall be abated for a four-month period beginning on the Effective Date of the Lease, and during said four-month

abatement period no base rent shall be due Authority from Lessee. This provision shall not apply to any other sums due Authority from Lessee under the Lease.

ARTICLE IV

MAINTENANCE AND UTILITIES

4.1 Maintenance – Administration Building.

All facilities furnished by the Authority and designated for the general use of occupants of the Premises, including Lessee hereunder, their respective officers, agents, employees and customers, including, but not limited to, any of the following which may have been furnished by Authority (such as parking areas, driveways, entrances and exits thereto, employee parking areas, truck way or ways, truck courts and service courts, loading docks, package pick-up stations, pedestrian sidewalks and ramps, landscaped areas, exterior stairways, first aid stations, comfort stations, bus stops, taxi stands, malls, and other similar facilities) shall at all times be subject to the exclusive control, administration, and management of the Authority. The Authority shall have the right from time to time to change the area, level, location, amount and arrangement of such parking areas and all other facilities referred to above and to make all rules and regulations pertaining to and necessary for, in the Authority's sole judgment, the proper operation and maintenance of the Premises as above described and as hereinafter defined, provided the same shall not unreasonably interfere with Lessee's quiet use of or access to the Premises or with the visibility of the Premises.

The Authority shall not be liable for any damages from plumbing, gas, water steam or sewage leaks or stoppage, nor for damage arising from acts of negligence of Lessee and/or third parties. Lessee shall not store any products or substances which shall increase the need for pest control services. Lessee agrees to accept the Premises and appurtenances thereof, including sprinkler, if any, heating, air conditioning, water and sewer systems, electrical fixtures, plumbing, plumbing fixtures and equipment, in "as is" condition and maintain them in such condition and good order through the term of this Lease and any extensions hereof.

4.2 Trash and Garbage.

During this Lease, Lessee shall be responsible for the storage, collection and removal from the Premises of all trash, garbage and other refuse resulting from Lessee's activities on the Premises. Lessee shall provide appropriate, covered, metal receptacles for trash, garbage and other refuse, will maintain the receptacles in an attractive, safe and sanitary manner, and will store receptacles in inconspicuous places on the Premises that are screened from public view in accordance with the Minimum Standards.

4.3 Utilities (Electrical and Sewer).

During this Lease, Lessee shall be responsible, at Lessee's sole cost and expense, for any necessary installation of and costs related to utility services within and to the Premises except the construction of Improvements detailed in **Exhibit "C"** hereto, if any. Utility service costs associated with the Administration Building facilities shall be included in fees as described in section 3.2, above. Lessee agrees that the Authority shall have no liability to Lessee arising out of any interruption of utility service to the Premises, unless such interruption was caused by the

gross negligence of the Authority. For purposes of this section 4.3, the acts of a third party shall not constitute acts within the control of the Authority unless such acts were directed by the Authority.

ARTICLE V

TAXES

5.1 Property Taxes and Assessments.

Lessee shall pay when due all taxes, assessments (including, without limitation, stormwater utility charges) and impact fees levied against or in connection with the Premises, its leasehold interest therein, and any improvements thereto, and shall pay when due all taxes and assessments levied against Lessee's personal property located on the Premises or otherwise arising out of its operations on the Premises. In the event Lessee fails to pay such taxes and assessments when due, Lessee shall be obligated to pay all resulting interest and penalties on such delinquent taxes and assessments. If the this Lease expires or is earlier terminated prior to the close of the tax year for which any such tax is payable, or if this Lease or any term hereof commences on a date other than the first day of such tax year, Lessee shall be responsible for paying a percentage of the tax calculated by: (i) dividing the number of days that this Lease was in effect during such tax year by 365; (ii) multiplying the resulting quotient by Lessee's total tax liability for the full tax year (the figure that would have been due from Lessee if it was responsible for payment of the total taxes for the full tax year). If this Lease is in effect for a period less than any entire period for which an assessment other than a tax is imposed, Lessee shall pay a percentage of the assessment calculated by dividing the number of days this Lease was in effect during that assessment period by the total number of days in the assessment period.

5.2 Protesting Taxes.

Lessee may exercise any rights provided by law to contest or pay under protest any taxes and shall not thereby be deemed in default under this Lease, provided that such contest or payment under protest does not result in the imposition of a lien for delinquent taxes on the Premises or any improvements and Lessee promptly pays all taxes and assessments (and any interest and penalties with respect thereto) ultimately determined to be due. No provision of this Lease shall be construed as a release or waiver on the part of the Authority of the right to assess, levy or collect any license, personal property, intangible, occupation or other tax which they, or either of them, may lawfully assess, levy or collect on the business or property of Lessee. Lessee's obligations under this Article shall survive the expiration or earlier termination of the term of this Lease.

5.3 Payment of Sales Tax.

Lessee shall be liable, at its sole cost and expense, for any sales, use or similar taxes with respect to all rent and other payments due from and/or made by Lessee in accordance with the provisions of this Lease. Lessee shall indemnify, defend and hold Authority completely harmless from and against any liability, including any interest and penalties, which might arise in connection with Lessee's failure to timely remit any such taxes.

ARTICLE VI **INSURANCE**

6.1 Hazard Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout the this Lease property and casualty insurance on and for all improvements, equipment, furnishings and other personal property now or hereafter erected, installed or used at the Premises, on a replacement cost basis (without deduction for depreciation), for the benefit of Authority and Lessee as their interests may appear, with such coverages, in such form, and with such company or companies as the Authority shall approve in writing, including coverage for damage by fire, the elements or other casualty with standard extended endorsements. Lessee, on behalf of itself and its insurance carriers, hereby waives any and all rights of recovery which it may have against Authority or any other party who it is required to indemnify in accordance with the provisions of Article 8 below, for any loss of or damage to property it may suffer as a result of any fire or other peril insured under an insurance policy which it is required to obtain hereunder.

6.2 Liability Insurance.

Lessee shall, at its sole expense, obtain and maintain throughout this Lease automobile liability insurance on all automobiles used in connection with its operations at the Premises and commercial general liability insurance protecting the Authority and Lessee (including, without limitation, all members of the governing board of Authority), officers, agents and employees of each, from and against any and all liabilities arising out of or relating to Lessee's occupation and/or use of the Premises, or the conduct of its operations on the Premises, in the amount of not less than \$1,000,000 (or such greater amount as may be maintained by Lessee from time to time) per occurrence, with no self-insured retention or deductible amount, in such form, and with such company or companies as Authority shall approve in writing, which approval shall not be unreasonably withheld. Such insurance shall include contractual liability coverage for Lessee's covenants to indemnify the Authority and the other parties as required under this Lease and shall provide that it is primary insurance as respects any other valid and collectible insurance the Authority or any of the other additional insureds may possess, including any self-insured retention or deductible any of them may have, and that any other insurance carried by any of them shall be considered excess insurance only.

6.3 Workers' Compensation.

Lessee shall keep in force, at its sole expense, workers' compensation or similar insurance affording the required statutory coverage and requisite statutory limits. Lessee shall also maintain at all times while this Lease is in effect employer's liability insurance with limits of liability of not less than \$500,000 for each of the "each accident," "disease policy limit," and "disease each employee" coverage or a self-insured program with comparable coverage. Such workers' compensation and employer's liability insurance or self-insured program shall contain a waiver of any right of subrogation against Authority.

6.4 Certificates of Insurance.

Within thirty (30) days after the Effective Date of this Lease, and within thirty (30) days after the expiration of any policy or policies required to be provided by Lessee hereunder, Lessee shall furnish an original certificate of insurance to Authority evidencing such coverage, naming the Authority as an additional insured under the property insurance required under section 6.1, naming the Authority as an additional insured under the liability policies required under section 6.2, and confirming that the policy or policies will not be canceled or modified nor the limits thereunder decreased without thirty (30) days' prior written notice thereof to and approval from Authority. Lessee shall also provide Authority with copies of endorsements and other evidence of the coverage set forth in the certificate of insurance as Authority reasonably may request. If Lessee fails to comply with the terms of this section, Authority shall have the right but not the obligation to cause insurance as referenced above to be issued, and in such event Lessee shall pay the premium for such insurance upon Authority's demand. Authority shall have the right, exercisable on ninety (90) days' prior written notice to Lessee, to require Lessee, from time to time, to reasonably increase the monetary limits or coverages provided by such policy or policies. Furthermore, Lessee shall provide proof of its compliance with Article VI by providing copies of such policies, together with any declarations pages and riders related thereto, to Authority upon reasonable demand thereby.

ARTICLE VII **ENVIRONMENTAL**

7.1 Lessee's Environmental Obligations.

Lessee shall comply with all "Environmental Laws", which are defined as all applicable federal, state and local statutes, laws, ordinances, regulations, administrative rulings, orders and requirements pertaining to the protection of the environment, including but not limited to, the Authority's rules and regulations, and including, but not limited to those regulating the use, storage, handling and disposal of any contaminant, toxic or hazardous waste, or any other substance the removal of which is required or the use of which is restricted, prohibited or penalized under any federal, state or local statute, law, ordinance, regulation, rule or judicial or administrative order with respect to environmental conditions, health, or safety, including, without limitation, asbestos or petroleum products ("Hazardous Substances"). Further, during the Term of this Lease, neither Lessee nor any agent or party acting at the direction or with the consent of Lessee shall use, store, handle or dispose of by any means any Hazardous Substances at the Premises, except that Lessee shall be entitled to use Hazardous Substances of the type and in the quantities typically used by companies performing similar aviation services in accordance with all applicable Environmental Laws. Notwithstanding any other provision hereof, Lessee does not undertake any obligation to remediate, or to take any other action with respect to, any environmental condition not attributable to actions at the Premises (or elsewhere at the Airport) by Lessee, its officers, employees, agents, contractors, subcontractors, licensees or invitees.

Upon reasonable notice to Lessee, the Authority may conduct or cause to be conducted through a third party that it selects an environmental audit or other investigation of Lessee's

operations to determine whether Lessee has breached its obligations under this section. Lessee shall pay all costs associated with said investigation if such investigation shall disclose any such breach by Lessee.

The provisions of this section 7.1 shall survive the expiration or earlier termination of the term of this Lease.

ARTICLE VIII

INDEMNIFICATION

8.1 Lessee Indemnification.

Lessee shall indemnify, defend and hold completely harmless Authority, from and against any and all liabilities (including, but not limited to, liability with respect to any Hazardous Substances and liability under the Comprehensive Environmental Response, Compensation and Liability Act, as it may be amended from time to time (“CERCLA”), and any other environmental law), losses, suits, claims, demands, judgments, fines, damages, penalties, costs and expenses (including all costs for investigation and defense thereof, including, but not limited to court costs, reasonable expert fees and reasonable attorneys’ fees and costs, including fees and charges for the services of paralegals or other personnel working under the supervision of such attorneys (“Attorneys’ Fees”)) which may be incurred by, charged to or recovered from any of the foregoing: (i) by reason or on account of damage to or destruction of any property of Authority, or any property of, injury to or death to any person resulting from or arising out of the use, occupancy or maintenance of the Premises or any improvements, or the Lessee’s operations thereon, or the acts or omissions of Lessee’s officers, employees, agents, contractors, subcontractors, licensees or invitees, regardless of where the damage, destruction, injury or death occurred, except to the extent that such liability, loss, suit, claim, demand, judgment, fine, damage, penalty, cost or expense was proximately caused by the entity to be indemnified hereunder, (ii) arising out of the failure of Lessee to keep, observe or perform any of the covenants or agreements in this Lease to be kept, observed or performed by Lessee, or (iii) imposed on or assessed against the Authority by reason of or arising out of any act or omission on the part of Lessee, any subtenant or any other person acting by, through or for Lessee or any subtenant of Lessee. Authority agrees to give Lessee reasonable notice of any suit or claim for which indemnification will be sought by it hereunder, to allow Lessee or its insurer to compromise and defend the same to the extent of its interest and to reasonably cooperate with the defense of any such suit or claim. The provisions of this section 8.1 shall survive the expiration or earlier termination of this Lease with respect to any acts or omissions occurring during the term of this Lease. Irrespective of the foregoing, nothing in this section 8.1 is intended to or shall abrogate, supplant or otherwise modify in any way the Authority’s right to claim any form of governmental or sovereign immunity including without limitation the immunity available to the Authority under section 768.28, Florida Statutes.

ARTICLE IX
DESTRUCTION OF IMPROVEMENTS – CORPORATE AVIATION TERMINAL

9.1 Insurance Proceeds – Administration Building.

Upon receipt by Lessee and the Authority of the proceeds of any property or builder's risk insurance policy or policies, Lessee and the Authority shall deposit same in an interest-bearing escrow account to pay for the cost of repair, replacement and rebuilding of the property that was the subject of such insurance claim(s). The Authority shall receive and hold such proceeds (and any interest earned thereon) in trust for such work, and the Authority shall distribute such proceeds (and any interest earned thereon during construction) solely to pay the cost of such work. If the amount of such insurance proceeds (together with the interest earned thereon) is insufficient to pay the costs of the necessary repair, replacement or rebuilding of such damaged property, Lessee shall pay any additional sums required in relation to repair, replacement and/or rebuilding of the Premises and its proportionate share of any repair, replacement or rebuilding of any common facilities or areas, and if the amount of such insurance proceeds (together with the interest earned thereon) is in excess of the costs thereof, the amount of such excess shall be retained by Lessee to the extent it was paid by any insurer in relation to damage to Lessee's personal property on the Premises. Notwithstanding the language of this section 10.1, in the event of total or partial destruction of the Premises, the parties will mutually evaluate a course of action that makes commercial sense regarding (i) insurance proceeds and (ii) whether or not this Lease should be terminated.

ARTICLE X
CONDEMNATION

10.1 Notice of Condemnation.

The party receiving any notice in connection with any proceedings or negotiations with respect to an actual or potential condemnation proceeding (a "Taking") shall promptly give the other party notice of the receipt, contents and date of the notice received.

10.2 Rights of Authority and Lessee.

Authority and Lessee shall each have the right to represent its respective interests in each proceeding or negotiation with respect to a Taking. Authority and Lessee each agrees to execute and deliver to the other any instrument that may be required or which would facilitate the provisions of this Lease relating to the condemnation.

10.3 Taking of Leasehold.

Upon a Taking of the entire Premises, Lessee's interest in this Lease shall continue until the Taking is completed by deed, contract or final order of condemnation, unless otherwise specified by court order. If the Taking is of substantially all of the Premises, Lessee may, by notice to Authority within ninety (90) days after Lessee receives notice of the Taking, elect to

treat the Taking in accordance with the preceding sentence. If Lessee does not so notify Authority, this Lease shall remain in full force and effect covering the balance of the Premises not so taken, except that the rent payable hereunder by Lessee shall be equitably adjusted (a “Partial Taking”).

10.4 Taking of Temporary Use of Premises and Improvements.

Upon any Taking of the temporary use of all or any part of the Premises or improvements, or both, neither the current Lease term nor the rent shall be reduced or affected in any way unless agreed upon by the parties hereto in writing. To the extent either party receives compensation as a result of any Taking and that is directly related to compensation for Lessee’s loss of use of the Premises, whether temporarily or permanently, then such compensation shall be paid to Lessee. If a result of the Taking is to necessitate expenditures for reconstruction of any improvements, including without limitation the Administration Building or any portion thereof, to make them reasonably suitable for Lessee’s continued use in connection with its operations under this Lease, after the termination of such Taking, Lessee shall perform such work in accordance with the provisions of the Lease and if required thereby.

10.5 Taking by Authority.

Upon any Taking by Authority, Authority and Lessee will either agree to the amount to be paid by Authority for such Taking, or in the absence of such agreement, the matter will be determined in accordance with the laws of the State of Florida.

10.6 Deposit of Sums Payable on Taking.

If Authority and Lessee are unable to agree on how all sums payable by a third party on the Taking are to be distributed and disbursed as between Authority and Lessee under the terms of this Lease, then Authority and Lessee agree to take such action as shall reasonably be required to withdraw such sums from the Registry of the Court and jointly deposit such sums in an interest bearing escrow account, and once agreement is reached between Authority and Lessee as to how such sums are to be distributed and disbursed (or the matter has been determined by a court in accordance with the laws of the State of Florida), the interest earned on such sums shall be distributed between Authority and Lessee in the same proportion as the distribution of the principal amount being held in escrow.

ARTICLE XI **DEFAULT**

11.1 Events of Default.

The occurrence of any of the following shall constitute an event of default (an “Event of Default”) by Lessee under this Lease: (i) the failure of Lessee to fully and timely make any payment of rent or any other payment required to be made by Lessee hereunder within ten (10) calendar days of the date when any such payment(s) is/are due; (ii) the failure of Lessee to keep, observe or perform any other material covenants or agreements herein unrelated to payments due, and the continued failure to observe or make a reasonable effort to begin to perform any

such covenant or agreement after a period of thirty (30) days after written notice to Lessee of such failure; (iii) commencement by or against the Lessee of an insolvency or bankruptcy proceeding, including, without limitation, a proceeding for liquidation, reorganization or for the readjustment of its indebtedness, or the insolvency of the Lessee, or an assignment or arrangement for the benefit of its creditors or the appointment of a receiver, trustee or custodian, provided, however, that any of the foregoing set forth in this sub-sentence (iii) which is commenced by a person other than Lessee shall not constitute an Event of Default if it is discharged within sixty (60) days following receipt of written notice from Authority; or (iv) the placement of any lien upon the Premises or any improvements (excluding liens for taxes which are not delinquent and mortgages permitted hereunder) which is not discharged of record by payment or bond within thirty (30) days following receipt of written notice from Authority, or any levy under any such lien.

11.2 Remedies for Default.

Upon the occurrence of an Event of Default, the Authority may in its sole discretion pursue any or all of the following remedies and such other remedies as may be available to the Authority at law or in equity:

- (a) Authority may terminate the Lease and re-enter and repossess the Premises;
- (b) Authority may, without terminating this Lease, terminate Lessee's right to possession of the Premises, retake possession of the Premises, accelerate without notice of any kind to Lessee all sums due to Authority from Lease for the remainder of the then-current Lease term that have not been paid by Lessee and recover damages for all such amounts due and owing, including without limitation the accelerated amount due, from Lessee.

Irrespective of the exercise of either of the above-referenced options, Authority shall have the right to recover all unpaid rent and other payments due Authority prior to the date of termination of possession or of the Lease, and all of Authority's costs, charges and expenses, including reasonable Attorneys' Fees, incurred in connection with the recovery of sums due under this Lease, or due to the breach of any covenant or agreement of Lessee contained in this Lease, including any costs and expenses of re-letting the Premises, repairs and renovations to the Premises, all brokerage fees and Attorneys' Fees. Authority will have the right at any time following an Event of Default to elect to terminate the Lease. No action taken by Authority pursuant to this Section 11.2 shall be deemed to terminate this Lease unless written notice of termination is given by Authority to Lessee.

The rights and remedies given to Authority by this Lease shall not be exclusive, and in addition thereto, Authority shall have such other rights and may pursue such other remedies as are provided by law or in equity. All such rights and remedies shall be deemed to be cumulative, and the exercise of one such right or remedy by Authority shall not impair its standing to exercise any other right or remedy.

Lessee hereby expressly waives any notices of default not specifically provided for herein, including, without limitation, the three (3) day notice provided for in section 83.20,

Florida Statutes, and all rights of redemption, if any, granted under present or future law in the event Lessee shall be evicted or dispossessed for any cause, or in the event Authority shall obtain possession of the Premises by virtue of the provisions of this Lease or otherwise.

11.3 Advances by Authority.

If Authority has paid any sums of money or incurred any obligation or expense for which Lessee is obligated to pay or reimburse Authority, or if Authority is required or elects to do so because of the failure of Lessee to perform any of the terms or conditions of this Lease after 10 days' written notice, then the same shall be deemed "rent" and shall be paid to Authority in accordance with Article III herein.

11.4 Non-Waiver by Authority.

No waiver of any covenant or condition or of the breach of any covenant or condition of this Lease shall constitute a waiver of any subsequent breach of such covenant or condition or justify or authorize the non-observance on any other occasion of the same or of any other covenant or condition hereof. The acceptance of rent or other payments from Lessee by Authority at any time when Lessee is in default under this Lease shall not be construed as a waiver of such default or of Authority's right to exercise any remedy arising out of such default, nor shall any waiver or indulgence granted by Authority to Lessee be taken as an estoppel against Authority, it being expressly understood that Authority may at any time thereafter, if such default continues, exercise any such remedy in the manner hereinbefore provided or as otherwise provided by law or in equity.

ARTICLE XII
MISCELLANEOUS

12.1 Additional Provisions.

The Parties hereby agree that this Lease shall be subject to the provisions of all exhibits referenced in and/or appended to this Lease, which are incorporated herein and made material and binding parts hereof by reference. In the event of any direct conflict between the terms of the Lease and the terms of any exhibit hereto, the Lease shall control.

12.2 Fees.

Authority will not assess landing fees on aircraft flying non-revenue flights.

12.3 Recording.

This Lease shall not be recorded except that a memorandum hereof may be recorded if required to effectuate any terms hereof, including without limitation the prohibition against construction liens against the Premises.

12.4 Additional Reserved Rights of Authority.

Authority reserves the right to further develop, improve, repair and alter the Airport and all roadways, parking areas, facilities, landing areas and taxiways as it may reasonably see fit, although Authority will endeavor to do so without disturbing Lessee's quiet use and enjoyment of the Premises. Authority shall be free from any and all liability to Lessee for loss of business or damages of any nature whatsoever to Lessee occasioned by the making of such improvements, repairs, alterations and additions. Authority reserves the right to establish such fees and charges for the use of the Airport by Lessee (excluding any additional charge for the use of the Premises) and all others similarly situated from time to time as Authority may deem advisable.

12.5 Leasehold Encumbrances.

Lessee shall not encumber the leasehold premises without prior written approval from Authority, which shall be at Authority's sole and absolute discretion.

12.6 Assignment and Subletting.

- (a) Lessee shall not at any time sublet or assign this Lease, in whole or in part, or assign any of its rights or obligations hereunder, without the prior written approval of Authority, which approval may be granted or withheld by Authority in its sole discretion; except that Lessee may assign this Lease without prior approval (but upon prior written notice to Authority) to a corporate parent, affiliate, sister company, or subsidiary (collectively, an "Affiliate"), upon submitting proof of such affiliation satisfactory to Authority. No sublease or assignment shall release Lessee from any of its obligations under this Lease unless the Authority agrees to such release in writing in its sole discretion. Approvals required under this paragraph shall be in writing and shall apply to any change in ownership of or power to vote a majority of the outstanding voting stock of Lessee from the owners of such stock or those controlling the power to vote such stock on the date of this Lease (except in the event Lessee is a corporation whose stock is publicly traded), or if Lessee is a limited or a general partnership or other entity, any transfer of an interest in the partnership or other entity which results in a change in the control of such partnership or other entity. Any assignment or sublease that is not in strict compliance with the terms and conditions of this Paragraph, shall be void ab initio and shall be of no force or effect whatsoever.
- (b) Lessee agrees to reimburse the Authority for its Attorneys' Fees and costs actually incurred in determining whether to give its consent to any proposed sublease or assignment, whether or not such consent is given, and the negotiation and preparation of any documents with respect to such sublease or assignment.

12.7 Notice.

Any notice permitted or required to be given under the terms of this Lease shall be in writing, addressed to the party to whom it is directed, and sent either by (1) hand delivery, (2) United States certified or registered mail, postage prepaid, return receipt requested or (3) overnight delivery by a nationally recognized company, to the address shown below or to such other address as either party may from time to time designate by written notice in accordance with this section:

To Authority: Director of Airports
Titusville-Cocoa Airport Authority
51 Bristow Way
Titusville, FL 32780

To Lessee: President
High Wing Flight Training, Incorporated
1379 Sanibel Lane
Merritt Island, FL 32952

(Signature Page Follows)

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto by their duly authorized officers have caused this Lease to be executed in their names and their seals to be affixed hereto as of the day and year first above written.

WITNESSES:

Print Name: _____

Print Name: _____

LESSEE:

By: _____
Darrell G. Gordon
As Its: President

WITNESSES:

Print Name: _____

Print Name: _____

LESSOR:

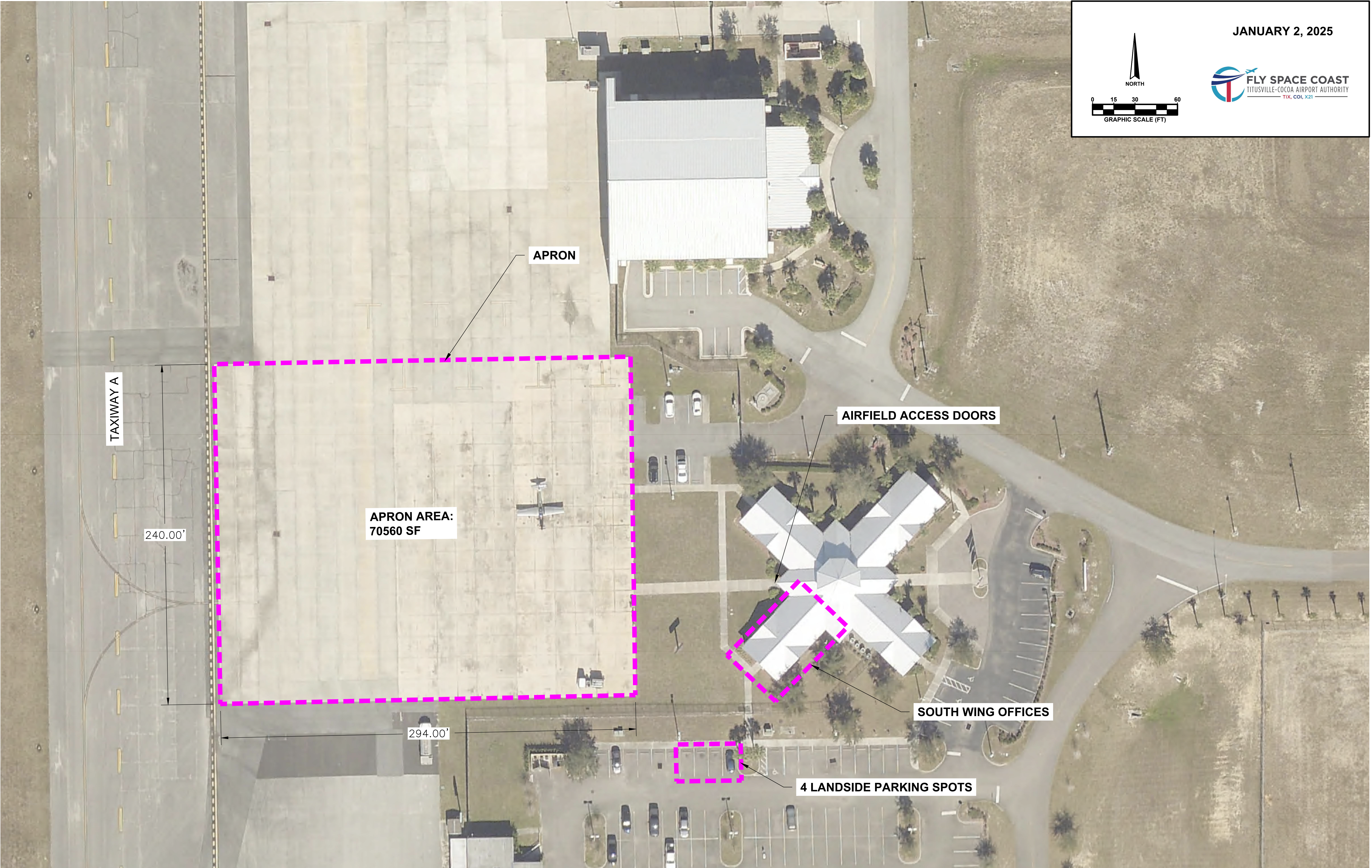
TITUSVILLE-COCOA AIRPORT AUTHORITY

By: _____
KEVIN DAUGHERTY, A.A.E.
As Its: Director of Airports

Approved as to Form and Legality this _____
day of _____, 2025
WhiteBird, PLLC

By: _____
Adam M. Bird, Esq. - General Counsel
Titusville-Cocoa Airport Authority

**EXHIBIT “A”
DEPICTION OF PREMISES**



JANUARY 2, 2025

FLY SPACE COAST
TITUSVILLE-COCOA AIRPORT AUTHORITY
TIX, COI, X21

NORTH

0 15 30 60

GRAPHIC SCALE (FT)

**EXHIBIT “B”
AUTHORITY IMPROVEMENTS**

NONE

**EXHIBIT “C”
LESSEE IMPROVEMENTS**

NONE

EXHIBIT "D"

CONSTRUCTION OF IMPROVEMENTS

1. Prior to commencement of construction of any improvements (the "Improvements"), and prior to commencing to renovate, enlarge, demolish or modify any Improvements now or hereafter existing on the Premises, Lessee must obtain the approval of the Chief Executive Officer of Authority, which he may grant or withhold in his sole discretion. Lessee shall submit the plans and specifications (prepared in accordance with the Minimum Standards and under the seal of a duly licensed architect or engineer) to Authority for its approval (the "Plans"), in accordance with the approval process prescribed by Authority. No construction of any type shall commence prior to Lessee's receipt of: (i) Authority's written approval of the Plans, and (ii) a notice to proceed from the Authority.
2. Authority's approval of any Plans submitted by Lessee shall not constitute the assumption of any liability by Authority for the compliance or conformity of the Plans with applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations, or for their accuracy or suitability for Lessee's intended purpose, and Lessee shall be solely responsible for the Plans. Authority's approval of the Plans shall not constitute a waiver of Authority's right thereafter to require Lessee, at its expense, to amend the same so that they comply with building codes, zoning regulations, municipal, county, state and federal laws, ordinances and regulations either applicable at the time the Improvements were constructed or by laws otherwise made applicable to Lessee's Improvements, and to make such construction changes as are necessary so that the completed work is in conformity with the approved Plans.
3. In the event Authority does not approve the Plans, it shall notify Lessee of the changes required to be made (including reference to those portions of this Lease, the Minimum Standards and the Master Plan forming the basis for disapproval, if applicable), and Lessee shall promptly revise the Plans to incorporate the required changes, and shall resubmit revised Plans to the Authority for approval.
4. Lessee shall obtain, at its expense, all necessary licenses and permits to accomplish its Improvements, and shall pay all applicable impact fees relating thereto.
5. Once Lessee has commenced construction of any Improvements, such construction shall be pursued diligently to completion, subject to Force Majeure. All Improvements shall be constructed in accordance with the approved Plans, the Minimum Standards, and all applicable building codes, zoning regulations and municipal, county, state and federal laws, ordinances and regulations. Within ninety (90) days after completion of construction of the Improvements, Lessee shall, at its expense, provide Authority with record drawings showing the "as built" condition of any Improvements constructed by Lessee, in such format (including, without limitation a CADD format) as the Chief Executive Officer shall request.
6. Lessee hereby warrants and covenants to Authority that all Improvements now or hereafter erected on the Premises shall be at all times free and clear of all liens, claims and encumbrances and hereby agrees to indemnify and hold Authority harmless from and against any and all losses, damages and costs, including reasonable Attorneys' Fees relating to or arising out of any such lien, claim or encumbrance. If any such lien or notice of lien on account of the alleged debt of Lessee shall be filed against the Premises, Lessee's leasehold interest therein or any Improvements, the Lessee shall, within thirty (30) days after notice of filing thereof, cause the same to be discharges of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Prior to construction of any Improvements at the Premises, Lessee shall record and post a Notice of Commencement and all applicable payment bonds in accordance with applicable laws. No work hereunder shall be commenced until Lessee or its Contractor provides to Authority from a company reasonably acceptable to the Chief Executive Officer: (i) a surety payment bond for the benefit of Authority in the form attached to the Lease as Exhibit "I" in an amount equal to the total estimated cost of the work, which bond shall guarantee the payment of all contractors' and subcontractors' charges and charges of all other persons and firms supplying services, labor, materials or supplies in connection with the work, (ii) a surety performance bond for the benefit of Authority, in the form attached to the Lease as Exhibit "I," in an amount equal to the total estimated cost of the work, which shall guarantee the prompt completion of the work by Lessee in accordance with the Plans, and (iii) a policy of builder's risk insurance.
7. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Authority, express or implied, to any contractor, subcontractor, laborer, materialman, architect, surveyor or engineer for the performance of any labor or the furnishing of any materials or services for or in connection with the Premises or any part thereof. Notice is hereby given that the Authority shall not be liable for any labor or materials or services furnished or to be furnished to Lessee upon credit, and that no construction or other lien for labor, materials or services shall attach to or affect the fee or reversionary or other estate or interest of the Authority in the Premises or in this Lease. All persons dealing with the Premises and with Lessee are hereby put on notice that Lessee does not have the power to deal with the Premises in such a manner as to authorize the creation of construction liens, by implication or otherwise; and all persons making improvements to the Premises, either by doing work or labor or services or by supplying materials thereto, at the request of Lessee or persons dealing by, through or under Lessee, are hereby put on notice that they must look solely to the Lessee and not to the Premises or any part thereof or to this Lease for the payment of all services, labor or materials performed upon or delivered to the Premises.

8. Title to all Improvements now or hereafter constructed by Lessee on the Premises shall vest in Authority upon the completion of the Improvements. Lessee hereby covenants to execute and deliver to Authority any and all instruments or documents that Authority reasonably requests to effectively transfer, assign and convey such Improvements in fee to Authority. Lessee shall ensure that at the expiration of the Initial Term such Improvements are free of any liens or encumbrances.

EXHIBIT “E” REQUIRED PROVISIONS

Authority’s Reserved Rights. Authority reserves the right for itself and others to utilize and maintain any utility and drainage easements located on the Premises, and to run water, sewer, electrical, telephone, gas, drainage and other lines under or through the Premises and to grant necessary utility easements therefore, provided that in the exercise of such rights, Lessee’s use of the Premises and any Improvements shall not be unreasonably impaired and any damage to the Premises or any Improvements caused by Authority as a result thereof shall be repaired without cost to Lessee.

Discrimination Not Permitted.

Lessee, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (i) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Premises, any Improvements or the Airport under the provisions of this Lease; (ii) that in the construction of any Improvements on, over or under the Premises and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation, denied the benefits of, or otherwise be subject to discrimination; and (iii) that Lessee shall use the Premises and the Improvements in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted Programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Acts of 1964, as the same may be amended. Likewise, Lessee shall comply with the laws of the State of Florida prohibiting discrimination because of race, color, religion, sex, national origin, age, handicap or marital status. Should the Lessee authorize another person, with Authority’s prior written consent, to provide services or benefits upon the Premises or the Improvements, Lessee shall obtain from such person a written agreement pursuant to which such person shall, with respect to the services or benefits which it is authorized to provide, undertake for itself the obligations contained in this subsection. Lessee shall furnish the original or a true copy of such agreement to Authority.

Lessee will provide all information and reports required by said regulations, or by directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Authority or the Federal Aviation Administration to be pertinent to ascertain whether there has been compliance with said regulations and directives. Where any information required of Lessee is in the exclusive possession of another who fails or refuses to furnish this information, Lessee shall so certify to Authority or the Federal Aviation Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

In the event of a breach of any of the above non-discrimination covenants, Authority shall have the right to terminate this Lease and to re-enter and repossess said Premises and the Improvements, and hold the same as if this Lease had never been made or issued. The rights granted to Authority by the foregoing sentence shall not be effective until all applicable procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights, and the completion of any judicial review.

Further, Lessee assures Authority that no person shall be excluded on the grounds of race, creed, color, national origin or sex from participating in or receiving the services or benefits of any program or activity covered by Title 14, Code of Federal Regulations, Part 152, Subpart E, Federal Aviation Administration, Non-Discrimination in Airport Aid Program, and that it will be bound by and comply with all other applicable provisions of such Subpart E, as it may be amended. Lessee also assures Authority that it will require its covered suborganizations to provide written assurances to the same effect and provide copies thereof to Authority.

Lessee further assures Authority that it will comply with pertinent statutes, Executive Orders, and such other rules as are promulgated to assure that no person shall on the grounds of race, creed, national origin, sex, age, handicap or marital status be excluded from participating in any activity conducted at or in connection with its operations at the Premises. Lessee also assures Authority that it will require its contractors and subtenants to provide assurances to the same effect and ensure that such assurances are included in contracts and subleases at all tiers which are entered into in connection with Lessee’s operations at the Premises.

Authority may from time to time be required by the United States Government, or one or more of its agencies, to adopt additional or amended provisions, including nondiscrimination provisions concerning the use and operation of the Airport, and Lessee agrees that it will adopt such requirements as part of this Lease.

Federal Aviation Administration Requirements.

Authority reserves unto itself, and unto its successors and assigns for the use and benefit of the public, a right of flight for the passage of aircraft through the airspace above the surface of the Premises, together with the right to cause in the airspace such noise as may be inherent in the operation of aircraft now known or hereafter used, and for navigation of or flight in the airspace, and use of the airspace for landing on, taking off or operating on the Airport.

Lessee expressly agrees, on behalf of itself and its successors and assigns:

to restrict the height of structures, vegetation and other Improvements on the Premises in compliance with the requirements of Federal Aviation Administration Regulations, 14 CFR Part 77, as they may be amended from time to time; and

to prevent any use of the Premises and any Improvements which would unreasonably interfere with or adversely affect the operation and maintenance of the Airport, or which would otherwise constitute a hazard at the Airport.

Right to Operate Aircraft at Airport. Nothing contained in this Lease shall give Lessee the right to operate a scheduled airline at the Airport. The right to operate aircraft at the Airport may be obtained by a qualified lessee from Authority by executing an Operating Agreement in the form prescribed by the Authority.

Member Protection. No recourse under or upon any obligation, covenant or agreement contained in this Lease, or any other agreement or document pertaining to the operations of Lessee hereunder, as such may from time to time be altered or amended in accordance with the provisions hereof, or under any judgment obtained against Authority, or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any statute or otherwise, under or independent of this Lease, shall be had against any member (including, without limitation, members of Authority's Board and members of Authority's citizens advisory committees), officer, employee or agent, as such, past, present and future, of Authority, either directly or through Authority or otherwise, for any claim arising out of this Lease or the operations conducted pursuant to it, or for any sum that may be due and unpaid by Authority. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any Authority member, officer, employee or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for any claim arising out of this Lease or the operations conducted pursuant to it, or for the payment for or to Authority, or any receiver therefor or otherwise of any sum that may remain due and unpaid by Authority, is hereby expressly waived and released as a condition of and as consideration for the execution of this Lease.

Authority Rules and Regulations. Lessee shall observe and comply with all reasonable rules and regulations of Authority which now exist or may hereinafter be promulgated from time to time governing all matters relating to the Airport, including, without limitation, access, use, safety and conduct of operations at the Airport and the safe use of Airport facilities. Authority shall, at Lessee's written request, furnish a copy of all such rules and regulations, and any amendments thereto, to Lessee.

Authority Access to Premises. Lessee grants Authority and its authorized agents full and free access to the Premises and all Improvements located thereon at all reasonable times (upon reasonable prior notice, except in the event of an emergency) for the purposes of examining the same and seeing that all of the obligations of Lessee hereunder are being met and performed, and for exercising the Authority's rights under Paragraph 4.1 of the Lease, and shall permit them to enter any building or structure on the Premises at any time in the event of an emergency. Authority and its employees, licensees, invitees, agents, patrons and suppliers, and its tenants and their employees, licensees, invitees, agents, patrons and suppliers, shall have the right of vehicular and pedestrian access, ingress and egress over all non-restricted access streets at the Airport.

Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by Authority or Lessee or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Authority and Lessee, it being expressly understood and agreed that neither the computation of Annual Rent, Rent nor any other provisions contained in this Lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Authority and Lessee other than the relationship of landlord and tenant.

Exclusive Rights. The rights granted to Lessee under this Lease are not exclusive, except that Lessee shall have the exclusive use of the Premises for the Term of this Lease in accordance with the provisions of this Lease. The Authority expressly reserves the right to grant to third parties rights and privileges on other portions of the Airport that are identical, in whole or in part, to those granted to Lessee hereunder.

Miscellaneous Provisions.

The section headings contained in this Lease are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of any provision of this Lease.

Except as otherwise provided herein, the provisions of this Lease shall bind and inure to the benefit of the successors and assigns of the parties hereto.

Time is expressed to be of the essence of this Lease.

In the event that any proceeding at law or in equity arises hereunder or in connection herewith (including any appellate proceeding or bankruptcy proceeding) the prevailing party shall be awarded costs, reasonable expert fees and reasonable Attorney's Fees incurred in connection therewith.

This Lease was made in, and shall be governed by and construed in accordance with the laws of, the State of Florida. If any covenant, condition or provision contained in this Lease is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.

This Lease, together with the exhibits attached hereto, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and any prior agreements, representations or statements heretofore made with respect to such subject matter, whether oral or written, and any contemporaneous oral agreements, representations or statements are merged herein. This Lease may be altered or amended only by written instrument executed by both parties hereto.

Words of gender used in this Lease shall be held and construed to include any other gender; and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

Authority and Lessee represent and warrant to each other that they have dealt with no broker in connection with this Lease and the transactions contemplated hereby, and each agrees to indemnify and hold the other harmless in the event its representation and warranty contained herein is not true.

At the request of either party, the other shall with reasonable promptness deliver to the requesting party a written and acknowledged statement that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), that to the best of the responding party's knowledge, the requesting party is not in default under this Lease (or if the responding party has knowledge that the requesting party is in default, identifying the default), and providing such other information with respect to the Lease and the relationship between Authority and Lessee as may reasonably be requested.

COMMUNICATIONS CONCERNING DISPUTED DEBTS. ALL (A) COMMUNICATIONS CONCERNING DISPUTES ABOUT DEBTS THAT ARE OWED OR MAY BE OWED PURSUANT TO THIS AGREEMENT, AND (B) INSTRUMENTS IN LESS THAN THE FULL AMOUNT CLAIMED BY THE AUTHORITY AND TENDERED AS FULL SATISFACTION OF A DISPUTED DEBT OR OTHER AMOUNT OWED, SHALL BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE FOLLOWING:

**DIRECTOR OF AIRPORTS
TITUSVILLE-COCOA AIRPORT AUTHORITY
355 Golden Knights Boulevard
Titusville, Florida 32780**

In accordance with Florida law, Lessee is hereby advised as follows:

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

Fire Protection System. Lessee shall, at its own cost and expense, maintain in good working order in each building on the Premises where the same is required by applicable fire and safety standards a fire protection system satisfying applicable requirements of NFPA, the local building code enforcement agency and any other applicable legal requirements, which Lessee shall cause to be certified as meeting all applicable fire and safety standards upon installation, and recertified at least annually thereafter, by a qualified fire protection system inspector with a copy of each such certification provided to Authority.

Airport Security. Lessee shall comply with all applicable regulations of the Federal Aviation Administration relating to airport security (including, at the Authority's request and without limitation, all such regulations applicable to the Authority with respect to the operation of the Premises) and shall control the Premises so as to prevent or deter unauthorized persons from obtaining

access to that portion of the Airport consisting of cargo areas, airside buildings, aircraft aprons, ramps, taxiways and runways (the "Air Operations Area"). Any fines or other penalties incurred by the Authority as a result of Lessee's breach of this Paragraph shall be included in the indemnification provided to Authority pursuant to Paragraph 8.1 of the Lease.

Compliance with Stormwater Regulations.

Lessee acknowledges that the Airport is subject to federal stormwater regulations, 40 C.F.R. Part 122 (the "Regulations"), which are applicable to, among other activities, (i) certain industrial activity, including, without limitation, the operation of a vehicle maintenance shop (including vehicle rehabilitation, mechanical repairs, painting, fueling, and lubrication), equipment cleaning operations and deicing operations and (ii) certain construction activity at the Airport. Lessee also acknowledges that it is familiar with the Regulations and agrees to comply with the Regulations as they may be amended from time to time. Lessee further acknowledges that it has been advised that the Authority has complied with the Regulations by obtaining coverage under the Environmental Protection Agency's Stormwater Multi-Sector General Permit for Industrial Activities (the "Multi-Sector Permit"). Lessee may be able to become a co-permittee under such Multi-Sector Permit by filing separately in accordance with the provisions of the Regulations and the Multi-Sector Permit. Lessee shall provide to the Authority's Manager of Environmental Services copies of any such filings and such other information as the Chief Executive Officer may reasonably request with respect to Lessee's compliance with the Regulations. Lessee agrees to comply with such Multi-Sector Permit or any other permit obtained by Authority or Lessee in connection with the Regulations as they pertain to the Premises, and any modifications to or renewals thereof. Such permit will not cover construction activities as defined by the Regulations and will not eliminate the need to obtain permits from state or local agencies as applicable laws, ordinances or regulations may require.

If Lessee, or its authorized agents or representatives, engages in construction activity at the Airport, including, without limitation, clearing, grading, or excavation, Lessee shall determine whether the Regulations require a permit, and if so, Lessee shall obtain the permit, send a copy of the permit to the attention of the Authority's Chief Executive Officer, and comply with the permit conditions.

Americans with Disabilities Act. As used herein, "ADA" shall mean the Americans with Disabilities Act, P.L. 101-336, 104 Stat. 327 (1990), as amended from time to time, and the regulations promulgated thereunder. Lessee shall be responsible for any actions required to comply with ADA (including, without limitation, any actions required by the Authority to enable the Authority to meet its ADA obligations with respect to Lessee's operations) as a result of (i) any Improvements or modifications which it makes to the Premises, (ii) its particular use of the Premises and (iii) any changes to the ADA after the Effective Date. Any modification to the Premises, which Lessee is required to make under this Paragraph, shall be performed to the satisfaction of the Authority. In the event the Lessee shall fail to construct or modify any Improvements to the Premises as required under this Paragraph, the Authority shall have the right to enter the Premises and perform such modifications on the Lessee's behalf, without liability for any disruption to the Lessee's activities therein during the completion of or as a result of such modifications, and the cost of such modifications shall be invoiced to the Lessee and shall be promptly paid by the Lessee to the Authority as additional Rent hereunder.

Force Majeure. If either party hereto shall fail to timely perform any of its obligations under this Lease as a result of strikes, lockouts or labor disputes, inability to obtain labor or materials, government restrictions, fire or other casualty, adverse weather conditions not reasonably foreseeable at the location and time of year in question, by reason of war or other national emergency, acts of God or other causes beyond the reasonable control of the party obligated to perform, then such failure shall be excused and not constitute a default under this Lease by the party in question, but only to the extent and for the time occasioned by such event. In the event the rights and privileges hereunder are suspended, Annual Rent and Rent under this Lease shall not abate, and Lessee shall have the right to make any claim against any third party permitted by law and to receive any award paid with respect to such claim. In no event shall this provision excuse any failure by Lessee to pay Annual Rent or Rent or any other payment obligation hereunder. Nor shall this provision apply to any inability by Lessee to procure funds or obtain financing necessary to comply with Lessee's obligations under this Lease. In the event that the airport is closed for a period greater than ninety (90) consecutive days by reason of war or other national emergency, the Authority will assist Lessee, as allowable by applicable law, in obtaining compensation for the unamortized portion of any Improvements constructed by Lessee on the Premises from the authority taking such action. However, in no case shall the Authority be liable for any damages arising out of such an event.

Subordination.

This Agreement shall be subject to all restrictions of record affecting the Airport and the use thereof, all federal, state, county and city laws and regulations affecting the same, and shall be subject and subordinate to the provisions of any and all existing agreements between the Authority and third parties, including, but not limited to, those between the Authority and the United States of America, the State of Florida, or the County of Brevard, or their agencies, and to any future agreements between or among the foregoing relative to the operation or maintenance of the Airport, the execution of which may be required as a condition precedent to the expenditure of federal, state, county or city funds for the development of the Airport, or any part

thereof. All provisions hereof shall be subordinate to the right of the United States to occupy or use the Airport, or any part thereof, during time of war or national emergency.

In the event the Federal Aviation Administration or its successors require modifications or changes in this Agreement as a condition precedent to the granting of its approval or to the obtaining of funds for the improvement of the Airport, Lessee hereby consents to any and all such modifications and changes as may be reasonably required.

Notwithstanding the foregoing provisions of this Paragraph, in the event any such restrictions, agreements or modifications to this Lease increase the Annual Rent payable hereunder or materially and adversely affect the ability of Lessee to use the Premises for the purposes permitted under this Lease, Lessee shall have the right to terminate this Lease by written notice to the Authority.

Public Entity Crimes Law. The Lessee acknowledges the following notice:

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of \$25,000 for a period of 36 months from the date of being placed on the convicted vendor list.

Tax Exempt Status of Authority Revenue Bonds. Lessee agrees to comply promptly with any applicable provisions of any federal tax statute, and all regulations or other binding authority promulgated or decided thereunder, as required to permit the Authority's capital expansion projects to be planned and constructed by Authority with revenue bonds the interest on which is generally exempted from federal income taxation, other than any applicable individual or corporate alternative minimum taxes (and other than during any period while such revenue bonds are held by a "substantial user" of the projects financed by those revenue bonds or a "related person" to a "substantial user"), including, without limitation, the execution by Lessee and delivery to Authority of an election not to claim depreciation or any investment credit with respect to any portion of such capital expansion projects or any other portion of the Airport System in the form attached hereto as Exhibit "F" simultaneously with the execution of this Lease. Such exhibit shall be deemed to be part of this Lease and shall be binding upon Lessee, its successors and assigns.

Visual Arts. Lessee shall not permit a work of visual art, as defined in 17 USC § 101, to be installed in the Premises without providing Authority with a written waiver, in form acceptable to the Authority, of the artist's rights under the Visual Artists Rights Act of 1990, Pub. L. 101-650, and without obtaining the Authority's prior written approval.

EXHIBIT "F"
CONTRACT BOND FORM

KNOW ALL MEN BY THESE PRESENTS: That _____, a corporation organized under the laws of _____ (hereinafter called the "Principal"), and _____ a corporation of the State of _____ which is licensed to do business in the State of Florida (hereinafter referred to as the "Surety"), are held and firmly bound unto the Titusville Cocoa Airport Authority (hereinafter called the "Authority") in the full and just sum of _____ (the "Sum") covering the period _____, 20__ through _____, 20__, inclusive, to the payment of which Sum and truly to be made, the said Principal and Surety bind themselves, their heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, under the terms of that Lease Agreement (hereinafter referred to as the "Agreement"), by and between the Principal and the Authority, the Principal shall lease certain real property at Space Coast Regional Airport pursuant to the Agreement, and such Agreement is hereby incorporated herein by reference and made a part hereof;

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal shall well and truly keep, do and perform, each and every, all and singular, the matters and things in said Agreement set forth and specified to be by the Principal kept, done and performed at the time and in the manner specified in said Agreement, and the Principal shall pay over, make good, and reimburse to the Authority, all sums required by it to be paid, and all loss and damage (including reasonable attorneys' fees) which the Authority may sustain by reason of any failure or default on the part of the Principal, then this obligation shall be void; otherwise it shall remain in full force and effect.

In the event that the Principal shall default in any of the terms, covenants and conditions of the Agreement during the period in which this Contract Bond is in effect, the Surety shall remain liable to the Authority beyond the date of the expiration hereof for all sums provided for in the Agreement remaining unpaid as of the date of expiration of this Contract Bond and for all loss or damage (including reasonable attorney's fees) resulting from such default up to the amount of the Sum.

In the event that Principal becomes a debtor under any chapter of the Federal bankruptcy laws, or becomes subject to any other statute providing for the recovery of transfers of payments or property, the obligations of the Surety hereunder shall include the obligation to reimburse the Authority for any transfers or payments under the Agreement made by Principal to the Authority prior to the commencement of such proceedings to the extent that such transfers or payments are voided and recovered from the Authority by Principal, or by a creditor of Principal, or by a trustee, receiver, custodian or similar official appointed for Principal or for substantially all of Principal's assets. Provided, however, that the obligations set forth in the preceding sentence shall be reduced pro tanto upon: (1) the entry of a final, non-appealable order of a court of competent jurisdiction permitting the Authority to retain all or any portion of such transfers or payments; (2) the execution of an agreement and approval thereof (if in the reasonable exercise of the Authority's judgment such approval is necessary) by a final non-appealable order of a court of competent jurisdiction permitting the Authority to retain all or any portion of such transfers or payments; or (3) the expiration of the applicable statute of limitations with respect to the avoidance and recovery of such transfers or payments without any claim therefore having been made against the Authority.

In the event the Surety fails to fulfill its obligations under this Contract Bond, then the Surety shall also indemnify and save the Authority harmless from any and all loss, damage, cost, and expense (including reasonable attorneys' fees) arising from or in connection with the enforcing of the Surety's obligations hereunder. This paragraph shall survive the expiration of this Contract Bond.

The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement entered into by the Authority and Principal without the Surety's knowledge or consent, (ii) waivers of compliance with, or of any default under, the Agreement granted by the Authority to the Principal without the Surety's knowledge or consent, or (iii) the rejection of the Agreement and the discharge of Principal from its obligations under the Agreement as a result of any proceeding initiated under the Federal bankruptcy laws, and as the same may hereafter be amended, or under any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or the assumption by Principal of the Concession as a result of any such proceeding, notwithstanding the finding by a court of competent jurisdiction that Principal has provided the Authority with adequate assurance of future performance under

the Agreement.

This Bond has been negotiated and executed in and shall be governed by and construed in accordance with the laws of the State of Florida. The execution of this Contract Bond by Surety shall constitute Surety's consent in the event of any litigation arising under this Contract Bond to the personal jurisdiction of, venue in and, convenience of the forum of the Circuit Court for Orange County, Florida and the U.S. District Court for the Middle District of Florida for such purposes.

IN WITNESS WHEREOF, the Principal and the Surety have caused these presents to be executed and their seals affixed this _____ day of _____, 20____.

Signed, sealed and delivered _____ "Principal"
in the presence of: _____

Printed Name: _____

By: _____
Printed Name: _____
Title: _____

Printed Name: _____

(SEAL)

"Surety" _____

Printed Name: _____

By: _____
Printed Name: _____
Title: _____

Printed Name: _____

(SEAL)

Countersigned by Florida Registered Agent
Printed Name _____

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

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

EXHIBIT "G"
LETTER OF CREDIT FORM

_____ [Date]

IRREVOCABLE LETTER OF CREDIT NO.

EXPIRY DATE:

AGGREGATE AMOUNT:

and ____/100 Dollars

BENEFICIARY: Titusville-Cocoa Airport Authority
355 Golden Knights Blvd,
Titusville, FL 32780

Dear Sir or Madam:

On behalf of _____ [Company name] (the "Company"), we hereby issue this irrevocable stand-by letter of credit in your favor up to the aggregate amount stated above, available by one or more sight drafts drawn by you on us.

Each draft hereunder must state "Drawn on _____ [Bank Name] Irrevocable Letter of Credit No. _____, dated _____", and must be accompanied by a Statement of Certification in the form attached hereto as Exhibit A (which is incorporated in this letter of credit by this reference). Such Statement of Certification must be signed by the Chief Executive Officer of the Titusville-Cocoa Airport Authority (the "Authority"), or by his or her designee, and must provide the certification required in A and either B or C, or both:

- A. Certification that Company has failed to faithfully perform one or more of its obligations to the Authority under that certain Lease Agreement, dated _____ 20____, as may be amended from time to time (the "Agreement"), by and between Company and the Authority; and,
- B. Certification of (i) the amount of damages and expenses which, in his determination, the Authority has suffered or incurred as a result of such failure by Company, and/or (ii) the amount of any fees, charges and other sums past due and remaining unpaid from Company to the Authority under such Agreement, together with the amount of any interest thereon to the extent required or allowed under such Agreement; and/or
- C. Certification (1) that Company has failed to provide to the Authority a contract bond or stand-by letter of credit to replace this letter on or before the date such replacement was due under such Agreement or in the form required or otherwise in accordance with the requirements of the Agreement, and (2) certification of the amount of the required replacement contract bond or letter of credit.

Each draft drawn hereunder shall be in an amount which does not exceed, as applicable, such total amount of damages and expenses and fees, charges and other sums past due and remaining unpaid, together with any interest thereon, and/or the amount of the required replacement contract bond or letter of credit, as certified in the Statement of Certification submitted with such draft.

Additionally, each draft drawn hereunder shall be paid from the funds of _____ [Bank Name]. If a drawing is made hereunder at or prior to 11 a.m., local time, on a business day, payment shall be made to the Authority or to its designee of the amount specified at our branch where such drawing is made, in immediately available funds, not later than 3 p.m., such local time, on the same business day or such later time and business day as you may specify. If a drawing is made by your after 11 a.m., such local time, on a business day, payment shall be made to the Authority or to its designee of the amount specified, in immediately available funds, not later than 3 p.m., such local time, on the next business day thereafter, or such later time and business day as you may specify.

This Letter of Credit is deemed to be automatically extended without amendment for one (1) year from the expiration date of the Agreement, or any future expiration date, unless the Authority is notified by the Bank ninety (90) days prior to any expiration date of the Agreement by the _____ [Bank Name] by Registered Mail that _____ [Bank Name] elects not to renew the Letter of Credit for any such additional period.

This letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Rev.), International Chamber of Commerce Publication No. 500, except that, notwithstanding the provisions of Article 17 thereof to the contrary, if this letter of credit would have otherwise expired by its terms during a period when our business has been interrupted by Acts of God or other causes beyond our control, our obligations hereunder shall continue for ninety (90) days following the date of our resumption of normal business operations.

We hereby engage with you that all drafts drawn hereunder in compliance with the terms of this credit will be duly honored upon presentation to us as provided herein.

_____ [Bank Name]

By:
Title:

EXHIBIT "H"

PAYMENT BOND FORM

KNOW ALL MEN BY THESE PRESENT that _____, hereinafter referred to as Principal, and _____, a corporation organized under the laws of the State of _____ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the Titusville-Cocoa Airport Authority (the "Authority"), as Obligee, hereinafter referred to as the Authority, in the Penal Sum of _____ DOLLARS (\$ _____), for the payment of which sum well and truly made, Principal and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal executed Lease Agreement on _____, 20____ for property at Space Coast Regional Airport, which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Agreement, and

WHEREAS, Principal has by written agreement dated _____, entered into a contract, hereinafter referred to as the Contract, with _____, hereinafter referred to as Contractor, for the construction at the Airport as described in the Agreement; and

WHEREAS, under the terms of the Agreement, Principal is required to indemnify and hold harmless Authority from and against any and all claims of claimants, as defined in Sections 255.05(1) and 713.01(10), Florida Statutes, for installations and improvements at the Authority as described in the Agreement, and is also required to provide a bond protecting the rights of such claimants to payment for services, labor, materials or supplies used directly or indirectly in the prosecution of the installations and improvements at the Authority as described in the Agreement; and

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

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

1. This bond is furnished for the purpose of complying with the requirements of Section 255.05, Florida Statutes, to the extent applicable; and for the purpose of exempting any legal or equitable interest in real property owned by Authority or the Principal from liens, and complying with the requirements of Section 713.23, Florida Statutes, to the extent applicable.

2. It is a specific condition of this bond that a claimant's right of action on the bond is limited to the provisions of Sections 255.05 and 713.23, Florida Statutes, including, but not limited to, the one-year (1) time limitation within which suits may be brought.

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

3. The Surety's obligations hereunder shall remain in full force and effect notwithstanding (i) amendments or modifications to the Agreement or Contract entered into by Lessor, Principal and/or Contractor without the Surety's knowledge or consent, (ii) waivers of compliance with or any default under the Lease or Contract granted by Lessor to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Agreement or Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceeding, or (iv) any other action taken by the Authority, Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

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

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their several seals on the ____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant to authority of its governing body.

Signed, sealed and delivered
in the presence of:

Principal

By: _____
Name and Title

(SEAL)

Surety

By: _____
Name and Title

(Countersigned by Florida

EXHIBIT "I"
PERFORMANCE BOND FORM

KNOW ALL MEN BY THESE PRESENTS that _____, hereinafter referred to as Principal, and _____ a corporation organized under the laws of the State of _____ and licensed to do business in the State of Florida, hereinafter referred to as Surety, are held and firmly bound unto the Titusville-Cocoa Airport Authority as Oblige, hereinafter referred to as Company, in the Penal Sum of _____ DOLLARS (\$ _____), for the payment of which sum well and truly made, Principle and Surety bind ourselves, our heirs, personal representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has been awarded real property at _____, in accordance with the Agreement dated _____, which is incorporated herein by reference, made a part hereof, and is hereinafter referred to as the Lease; and

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

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

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

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

1. Promptly and faithfully completes and performs such improvements in accordance with the Plans and Specifications, the Contract, and the obligations imposed upon Principal by the Lease in connection therewith, in the time and manner prescribed in the Lease and Contract,
2. Pays Lessor all losses, damages (liquidated or actual), including, but not limited to, damages caused by delays in performance of the Principal or the Contractor, expenses, costs and attorney's fees, including appellate proceedings, that Lessor sustains resulting directly or indirectly from failure of the Principal or the Contractor to complete the improvements in accordance with the Plans and Specifications or the terms of the Contract, or from any breach or default by Principal or the Contractor under the Lease in connection therewith, and
3. Pays Lessor all losses, damages, expenses, costs, attorneys' fees and other legal costs (including, but not limited to, those for investigative and legal support services), including those incurred in appellate proceedings, that the Lessor sustains resulting directly or indirectly from conduct of the Principal or the Contractor, including, but not limited to, want of care or skill, negligence, patent infringement, or intentionally wrongful conduct on the part of the Principal or the Contractor, their officers, agents, employees or any other person or entity for whom the Principal or the Contractor are responsible, then this bond is void; otherwise it shall remain in full force and effect.

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

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

The Surety's obligations hereunder shall be direct and immediate and not conditional or contingent upon Lessor's pursuit of its remedies against Principal, and shall remain in full force and effect notwithstanding (i) amendments or modifications to the Lease or the Contract entered into by Lessor, Principal and/or Contractor without the Surety's knowledge or

consent, (ii) waivers of compliance with or any default under the Lease or the Contract granted by Lessor to Principal or by Principal to Contractor without the Surety's knowledge or consent, (iii) the discharge of Principal from its obligations under the Lease or the Contract as a result of any proceeding initiated under The Bankruptcy Code of 1978, as the same may be amended, or any similar state or federal law, or any limitation of the liability of Principal or its estate as a result of any such proceedings, or (iv) any other action taken by Lessor or Principal or Contractor that would, in the absence of this clause, result in the release or discharge by operation of law of the Surety from its obligations hereunder.

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

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

IN WITNESS WHEREOF, the Principal and Surety have executed this instrument under their seals on the _____ day of _____, 20____, the name and corporate seal of each corporate party being hereto affixed and these presents fully signed by its undersigned representative, pursuant, authority of its governing body.

Signed, sealed and delivered
in the presence of:

(Seal)

Principal
By: _____
(Official Title)

(Seal)

Surety
By: _____
(Official Title)

(Countersigned by Florida Registered Agent)

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

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

EXHIBIT "J"

**THIS INSTRUMENT PREPARED BY
AND SHOULD BE RETURNED TO:**

For Recording Purposes Only

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT ("Memorandum") is effective this _____ day of _____, 20____, between and among TITUSVILLE-COCOA AIRPORT AUTHORITY, as governing body of the Titusville-Cocoa Airport Authority, a special taxing district existing under the laws of the State of Florida, whose mailing address is 355 Golden Knights Boulevard, Titusville, Florida 32780 ("**Authority**"), US AVIATION TRAINING SOLUTIONS, INC., a Florida corporation whose address is 365 Golden Knights Boulevard, Titusville, Florida 32780 ("**Lessee**").

WITNESSETH

Lease. Authority and Lessee entered into that certain Lease Agreement effective as of _____ ("**Lease**"), with respect to the lease of certain real property and improvements thereon located in Brevard County, Florida, more particularly described on the attached **Exhibit "A"** (the "**Property**").

Term. The Term of the Lease begins on the Effective Date hereof and the Initial Term of the Lease will end, unless sooner terminated in accordance with the terms of the Lease, 5 years from Effective Date, unless renewed pursuant to the terms of the Lease.

Lessee's Improvements. Pursuant to the terms of the Lease, the Landlord's interest in the Property shall not be subject to any liens or claims of lien for any improvements made by or on behalf of Tenant.

Election Not to Claim Depreciation. Neither Lessee nor any successor-in-interest to Lessee shall claim depreciation or an investment credit with regard to any Improvements constructed by the Authority at the Premises.

Definitions. TERMS NOT SPECIFICALLY DEFINED IN THIS MEMORANDUM SHALL HAVE THE SAME RESPECTIVE MEANINGS AS ARE ASCRIBED THERETO IN THE LEASE.

Lessee's Address. A copy of the Lease is maintained at Lessee's place of business located at the following address: 3430 Heron Drive, Titusville, FL 32780, and at the offices of the Authority.

Lease Governs. This Memorandum is executed for the sole purpose of giving public notice of certain terms and provisions of the Lease and shall not create, expand, modify or affect in any way the respective rights, interests, estates, obligations or remedies of Authority or Lessee. This Memorandum shall not be considered or taken into account in connection with the construction or interpretation of the Lease or any provision thereof.

Counterparts. This Memorandum may be executed in counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Memorandum effective as of the day and year first above written.

WITNESSES:

Print Name: _____

Print Name: _____

WITNESSES:

Print Name: _____

Print Name: _____

LESSEE:

US AVIATION TRAINING SOLUTIONS, INC.

Signature _____

LESSOR:

TITUSVILLE-COCOA AIRPORT AUTHORITY

By: _____
KEVIN DAUGHERTY, AAE
As Its: Director of Airports

Approved as to Form and Legality this _____ day of _____, 2022.

WhiteBird PLLC

By: _____
Legal Counsel / Titusville-Cocoa Airport Authority

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by _____, as _____ of _____. He/She is [] personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

Signature of Notary Public _____
Print Name: _____
My Commission Expires: _____
Commission No.: _____

**STATE OF FLORIDA
COUNTY OF BREVARD**

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by KEVIN DAUGHERTY as Director of Airports of **TITUSVILLE-COCOA AIRPORT AUTHORITY**. He is [] personally known to me or [] has produced _____ as identification.

(NOTARY SEAL)

Signature of Notary Public _____
Print Name: _____
My Commission Expires: _____
Commission No.: _____



ACTION ITEMS

**APPROVAL: LICENSE AGREEMENT WITH
INDIAN RIVER HONEY COMPANY, LLC FOR
TEMPORARY USE OF NON-AERONAUTICAL
PROPERTY LOCATED AT THE SPACE COAST
REGIONAL AIRPORT.**

TITUSVILLE-COCOA AIRPORT AUTHORITY REVOCABLE LICENSE AGREEMENT

This License Agreement (the “Agreement”) is made as of this 16th day of January, 2025, by and between the TITUSVILLE-COCOA AIRPORT AUTHORITY, a special taxing district existing under the laws of the State of Florida, whose mailing address is 51 Bristow Way, Titusville, Florida 32780 (the “Authority”) and INDIAN RIVER HONEY COMPANY, LLC, whose mailing address is 3645 Kelly Road, Mims, Florida 32754, (the “Licensee”).

RECITALS

WHEREAS, the Authority is the owner and operator of the property known as Space Coast Regional Airport (TIX), which includes both aeronautical and non-aeronautical property (the “Airport”); and

WHEREAS, the Airport is subject to the requirements of various federal laws and regulations including, without limitation, the Federal Property and Administrative Services Act of 1949, as amended, and the rules and orders promulgated by the Federal Aviation Administration, including specifically Order 5190.6B; and

WHEREAS, the Licensee desires to lease and temporarily utilize specified non-aeronautical portions of the Airport from the Authority for the purpose of temporary placement and maintenance of hives for a beekeeping operation (the “Temporary Permitted Use”); and

WHEREAS, the requested Temporary Permitted Use is consistent with the Authority’s Comprehensive Plan, Zoning Ordinance, Airport Master Plan, and other applicable state and federal laws and, further, is in the best interest of the Authority and the Airport; and

WHEREAS, Licensee agrees to the terms and conditions of temporary use of the Airport property as specified in this Agreement, including, without limitation, the release, indemnity and hold harmless provisions, required Insurance provisions, fees, and other terms, conditions and requirements as detailed herein.

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Licensee do hereby agree as follows:

SECTION 1. RECITALS.

The above Recitals are true and correct and are incorporated herein and made a part hereof by this reference.

SECTION 2. PREMISES.

The Authority hereby grants to the Licensee the right to use, consistent with all the terms and conditions of this Agreement, that portion of the Airport property described and shown on Exhibit "A" attached hereto and made a part hereof by this reference (the "Premises"). This license shall include a limited right of ingress and egress to the Premises at such times as are specified herein using only the access roads specified in Section 8.B. below.

SECTION 3. DURATION OF LICENSE.

A. This License Agreement shall commence on January 16, 2025 (the "Commencement Date") and shall terminate at 11:59 p.m. on the day before the first anniversary of the Commencement Date unless earlier terminated as set forth herein. The Licensee shall not be privileged to enter or utilize the Premises prior to complete execution and approval of this Agreement, including acknowledged receipt and sufficiency of required insurance as set forth herein.

SECTION 4. NONEXCLUSIVE USE OF PREMISES.

The Authority and the Licensee further agree that other Airport uses may take place concurrently with Licensee's Temporary Permitted Use of the Premises.

SECTION 5. PERMITTED USE OF PREMISES.

A. The Licensee may use the Premises ONLY for the Temporary Permitted Use, and as part and parcel thereof, all vehicles stored on the Premises by Licensee shall be in operable condition, and the Premises shall not be utilized to store "junk" other otherwise inoperable vehicles of any kind. Licensee shall be solely responsible for the proposed use, including doing any and all things necessary to ensure the Premises is made safe for the Licensee's proposed use by employees and contractors.

B. The Licensee shall not use or permit the use of the Premises for any other purpose, other than that stated above, without a prior written amendment to this Agreement signed by the Authority. All activities in connection with the Temporary Proposed Use shall be coordinated in advance with the Authority.

SECTION 6. REQUIRED PERMITS.

A. The Licensee, in its own name and at its own expense, shall obtain all permits and/or licenses required or needed in connection with the Temporary Permitted Use and/or this Agreement. All such permits/licenses shall be obtained prior to Licensee's first use, and copies shall be provided to the Director of Airports. Failure to obtain said approvals and permits will render the license granted hereby null and void.

B. The failure of this Agreement to address a particular permit, condition, term or restriction shall not relieve the Licensee of the necessity of complying with the law governing said permitting

requirements, conditions, terms or restrictions. No rights to obtain a temporary conditional use approval nor any other rights to the proposed use have been granted or implied simply by the Authority's approval of this Agreement. Licensee may not attempt to force or coerce the Authority to approve any temporary use of the Premises by asserting that the Authority has committed to such approvals based on the theory of vested rights or equitable estoppel or any other legal theory based on the Authority's approval of this Agreement and/or any agreement(s) with one or more third parties.

C. Licensee shall be solely responsible for obtaining all approvals, permits, licenses, insurance, and authorizations from the responsible federal, state and local authorities or other entities necessary to use the Premises for the Temporary Permitted Use. Further, it is expressly agreed and understood that the Authority has no duty, responsibility or liability for requesting, obtaining, ensuring, or verifying Licensee's compliance with the applicable state and federal agency permit or approval requirements. Any authorization granted by the Authority shall not in any way be interpreted as a waiver, modification, or grant of any state or federal agency permits or authorizations or permission to violate any state or federal law or regulation. Licensee shall be held strictly liable, and shall hold Authority, its officers, employees and agents harmless for and from administrative, civil and criminal penalties for any violation of federal and state statutes or regulations, including but not limited to environmental laws and regulations. Nothing herein shall be interpreted as restricting or limiting the Authority from bringing an enforcement action to compel compliance herewith.

SECTION 7. LICENSE FEE; OTHER COSTS.

The Licensee agrees that the annual base fee for temporary use of the Premises shall be One Thousand dollars (\$1,100.00) per year. The fee is based on Exhibit "A" and is due / payable on or before the 10th of the month following execution of this Agreement. If the fee is not paid when due, payment is subject to a 18% per annum late payment fee and this Agreement shall be freely terminable at Authority's sole discretion and without recourse to Licensee. The Licensee is responsible for all taxes, fees or any other costs associated with each use.

SECTION 8. MANDATORY CONDITIONS OF USE.

A. IMPROVEMENTS. The Licensee is not permitted to make any alteration to the Premises, to make improvements to the Premises or to place improvements on the Premises, except such alterations or improvements as are specifically identified herein or otherwise authorized in writing by the Director of Airports.

B. RETURN CONDITION / REPAIR OBLIGATION. The Licensee agrees to surrender / return the Premises to the Authority in the same condition as existed prior to Licensee's use. This obligation includes but is not limited to the obligation to return the Premises in a clean condition, free from garbage, trash, junk and debris. If the Premises is not returned in clean condition, the Authority shall clean the Premises and bill the Licensee. Any such bill shall be fully paid by Licensee to the Authority within ten (10) days of receipt. Further, the Licensee is strictly obligated to pay the full cost of repair, including administrative costs, for any damage to the Premises caused by the Licensee, its agents, contractors, invitees, patrons and/or guests. Licensee acknowledges that said repair may only be

performed by Authority personnel or other authorized and qualified contractors of the Authority. In addition, Licensee acknowledges that said repair shall be in accordance with all federal, state and local public improvement standards, rules and regulations, including but not limited to public improvement standards, and when triggered, public bidding and contracting rules. If the Premises is returned with damages necessitating repair, unless otherwise agreed by the parties, the Authority shall conduct the repair to the premises and bill the Licensee. Any such bill shall be fully paid by Licensee within thirty (30) days of receipt. Failure to pay any bill under this section shall disqualify Licensee and its affiliates from any future use of the Premises. In addition, the Authority may pursue any legal action to recover the debt.

SECTION 10. INDEMNITY / HOLD HARMLESS.

A. Licensee, to the fullest extent permitted by Florida law, covenants, and agrees that it will indemnify and hold harmless the Authority, its officers, employees and agents, from any and all claims, actions, losses, damages, costs, charges, liabilities and expenses, (as well as attorney's fees and costs, at both trial and appellate levels), including, but not limited to claims in connection with any loss of life, personal injury, (including death), or property damage, arising from, or out of, the occupancy or use of the Premises or use of any other part of the Authority's property, by the Licensee, its employees, volunteers, participants, agents, contractors, invitees, or guests. Notwithstanding anything to the contrary in this Agreement, the parties hereto shall retain for themselves all claims and defenses under Florida's sovereign immunity laws.

B. The parties agree that the damages for any tort claim or action are limited to actual damages, incidental damages, costs, and case expenses. In no event shall the parties be liable for consequential, special, indirect, punitive or exemplary damages (including without limitation lost profits and opportunity costs).

SECTION 11. REQUIRED INSURANCES.

A. Licensee agrees to indemnify and hold the Authority harmless from all claims arising out of injury to person or property on or in relation to the Premises and/or this Agreement. Licensee agrees to and shall secure from date of occupancy, from a good and responsible insurance company doing business in Florida, adequate fire and extended insurance coverage on all of its fixtures, goods, wares, improvements in or on the Premises. The Authority shall not be liable to the Licensee and/or any individual or entity claiming through Licensee, if any, for any damage by fire or other peril includable in the coverage afforded by the standard form of fire insurance policy with extended coverage endorsement attached (whether or not such coverage is in effect) no matter how caused, it being understood that Licensee will look solely to its insurer for reimbursement. Licensee, at its sole cost and expense, shall also maintain in full force and effect during the term of this Agreement and any renewal thereof, public liability insurance in the following minimum amounts:

\$1,000,000 - single limit, per occurrence; and
\$1,000,000 - general aggregate.

Said public liability policy shall contain a stipulation that Licensee's insurer will provide thirty (30) days written notice of cancellation of such insurance to the Authority prior to cancellation. Such policy shall be carried by solvent and responsible insurance companies licensed to do business in the state where the Premises is located. At the commencement of the term of this Agreement, Licensee shall deliver to the Authority a certificate issued and executed by Licensee's insurer evidencing the insurance coverage required hereunder and naming the Authority as an additional insured. The Authority shall, at its sole cost and expense, maintain in full force and effect during the initial term of this Agreement and any renewal term: (i) fire insurance on the building of which the Premises forms a part and (ii) public liability insurance, to the extent allowed by law. Nothing in this section shall be interpreted as a waiver, expansion, modification and/or abridgement of the Authority's sovereign immunity under Florida law.

D. REJECTION / NOTICE. Authority reserves the right, but not the obligation, to revise any insurance requirement, including but not limited to limits, coverages and endorsements, or to reject any insurance policies which fail to meet the criteria stated herein. Additionally, Authority reserves the right, but not the obligation, to review and reject any insurer providing coverage due of its poor financial condition or failure to operating legally. If the Licensee receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives notice that coverage no longer complies with the insurance requirements herein, Licensee agrees to notify the Authority in writing via email within five (5) business days and to provide a copy of the non-renewal or cancellation notice or written specifics as to which coverage is no longer in compliance.

SECTION 12. TERMINATION.

This Agreement may be terminated by the Authority for any material violation hereof upon thirty (30) days' written notice to the Licensee. Separately, this Agreement may also be freely terminated by the Authority for any reason or no reason upon ninety (90) days' written notice to Licensee. This Agreement may also be terminated by mutual written agreement of the parties signed by both Licensee and Authority at any time. Regardless of how terminated, Licensee shall pay to Authority all fees to be paid pursuant to this Agreement during any time Licensee has the right to occupy the Premises regardless of whether Licensee actually does occupy the Premises during such time(s).

SECTION 13. NOTICES.

All notices required to be given hereunder shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) calendar days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be

sent to the parties at their respective addresses as identified below, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this section:

If to Licensee:

Indian River Honey Company, LLC
c/o Nicole A. Ward, Managing Member
3645 Kelly Road
Mims, FL 32754
Email: indianriverhoneycompany@gmail.com

INDIAN RIVER HONEY COMPANY, LLC, whose mailing address is 3645 Kelly Road, Mims, FL 32754

If to Authority:

Titusville-Cocoa Airport Authority
c/o Director of Airports
51 Bristow Way
Titusville, FL 32780
kdaugherty@flyspacecoast.org
ckinard@flyspacecoast.org

SECTION 14. NO ASSIGNMENT.

The Licensee shall not assign this Agreement and/or any part, portion or right hereof or hereunder to any person or entity without the express, written consent of the Authority. Any attempt to assign this Agreement without Authority's express, written consent shall operate to automatically revoke the license granted herein, and the Agreement will be deemed terminated.

SECTION 15. ENTIRE AGREEMENT.

This Agreement incorporates or references all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, incorporated into, or referenced in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

SECTION 16. AMENDMENT -MODIFICATION.

This Agreement may only be modified by a written document duly executed by the Authority and the Licensee and may not be otherwise modified. No oral modification of this Agreement shall be valid or enforceable under any circumstances.

SECTION 17. SEVERABILITY.

If any clause, section, sentence or any other portion or any part of this Agreement is contrary to, prohibited by, or deemed invalid or null and void for any reason under any applicable law or regulation, such provisions shall be inapplicable and deemed omitted to the extent so contrary, prohibited, invalid or void, however, the remainder hereof shall not be invalidated thereby and shall be given full force and effect to the fullest extent permitted by law.

SECTION 18. VENUE; ATTORNEY FEES.

Any dispute, claim or action relating to or arising under this Agreement shall be brought solely and irrevocably in any court of competent jurisdiction located in Brevard County, Florida, forsaking all other jurisdictions and venues. This Agreement shall be governed by Florida Law.

In any action arising from and/or related to this Agreement and/or the Premises, the prevailing party shall have and recover from the non-prevailing party all reasonable attorneys' fees and costs incurred including without limitation all fees and costs occurred in any appeal related thereto and/or incurred litigating entitlement to and/or amount of attorneys' fees and/or costs to be awarded.

SECTION 19. REQUIRED FEDERAL PROVISIONS.

A. ADDITIONAL CIVIL RIGHTS PROVISION. Licensee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If Licensee transfers its obligation to another, the transferee is obligated in the same manner as Licensee. This provision obligates Licensee for the period during which the Premises is used and/or possessed by Licensee and the Airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

B. REQUIRED CLAUSE FOR TRANSFER OF REAL PROPERTY. The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Authority pursuant to the provisions of the Airport Improvement Program grant assurances.

(i) Licensee for itself, its successors in interest and its assigns, as a part of the consideration for this Agreement, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Licensee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

(ii) With respect to this Agreement, in the event of breach of any of the above nondiscrimination covenants, Authority will have the right to terminate the Agreement and to enter, re-enter, and repossess said Premises and the facilities thereon and hold the same as if the Agreement had never been made or issued.

C. TITLE VI LIST OF PERTINENT NONDISCRIMINATION ACTS AND AUTHORITIES. During the performance of this Agreement, Licensee, for itself, its assignees, and successors in interest, agrees to comply with the following non-discrimination statutes and authorities:

- Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 49 CFR part 21 (Non-discrimination in Federally-assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27;
- The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982 (49 USC § 471, Section 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 USC §§ 12131 — 12189) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures nondiscrimination against minority populations by

discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;

- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100); and
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC 1681 et seq).

(Signature Page Follows)

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers or representatives.

WITNESS:

Licensee

Indian River Honey Company, LLC

(Print Name)

By: _____

Nicole A. Ward, Managing Member

Date: _____

Authority

Titusville-Cocoa Airport Authority

WITNESS:

(Print Name)

By: _____

Kevin Daugherty, AAE, Director of Airports

Date: _____

STATE OF FLORIDA
COUNTY OF BREVARD

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2024, by Kevin Daugherty, as Director of Airports of the Titusville-Cocoa Airport Authority, who ☐ is personally known to me OR ☐ has produced _____, as identification.

Notary Public (Signature of Notary)

Name legibly printed, typewritten or stamped

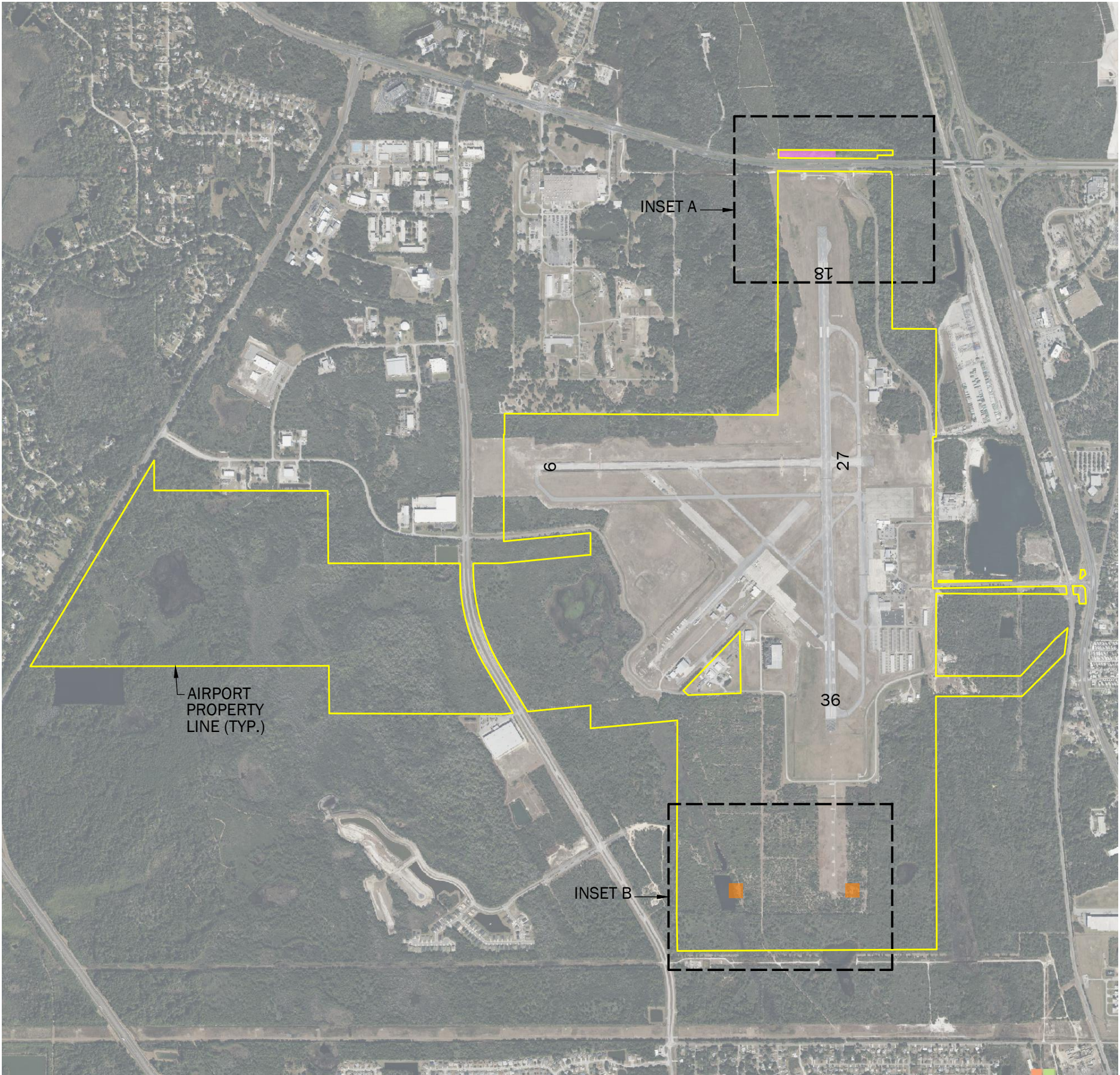
STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of ☐ physical presence or ☐ online notarization, this ____ day of _____, 2024, by Nicole A. Ward as Managing Member of Indian River Honey Company, LLC who ☐ is personally known to me OR ☐ has produced _____, as identification.

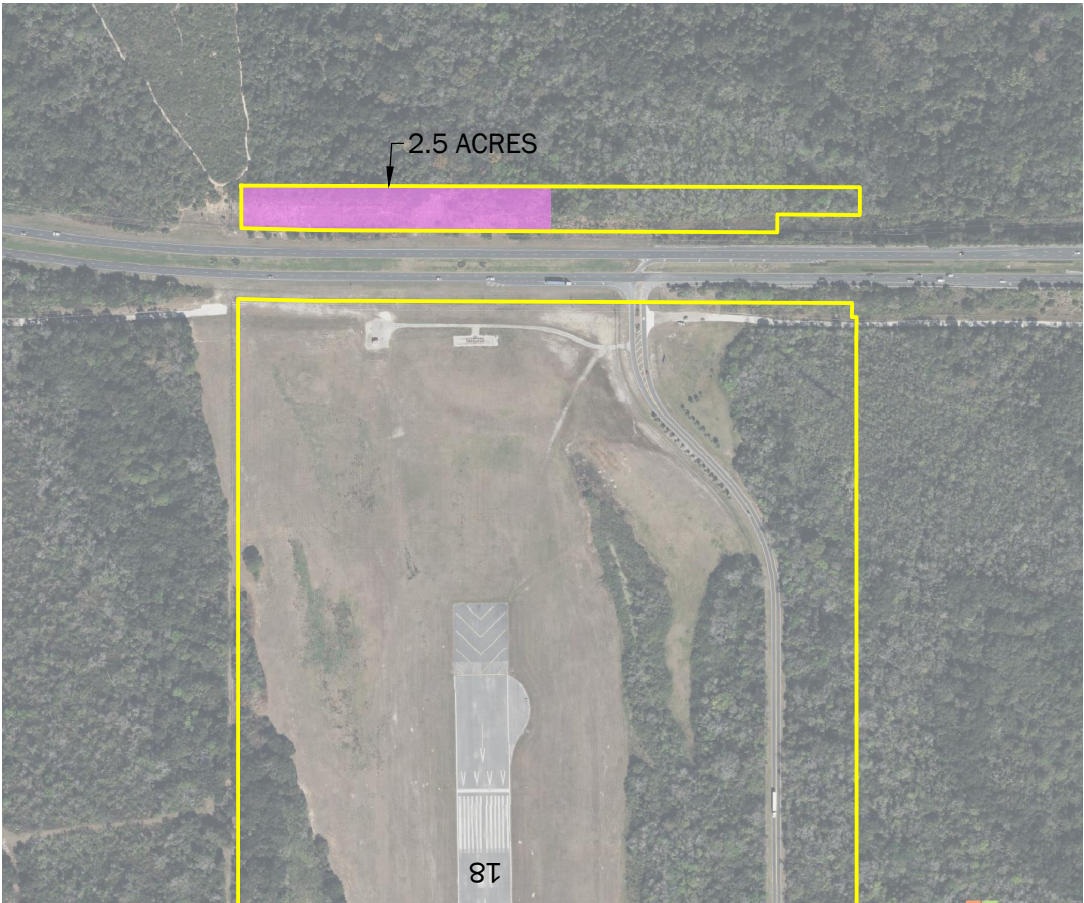
Notary Public (Signature of Notary)

Name legibly printed, typewritten or stamped

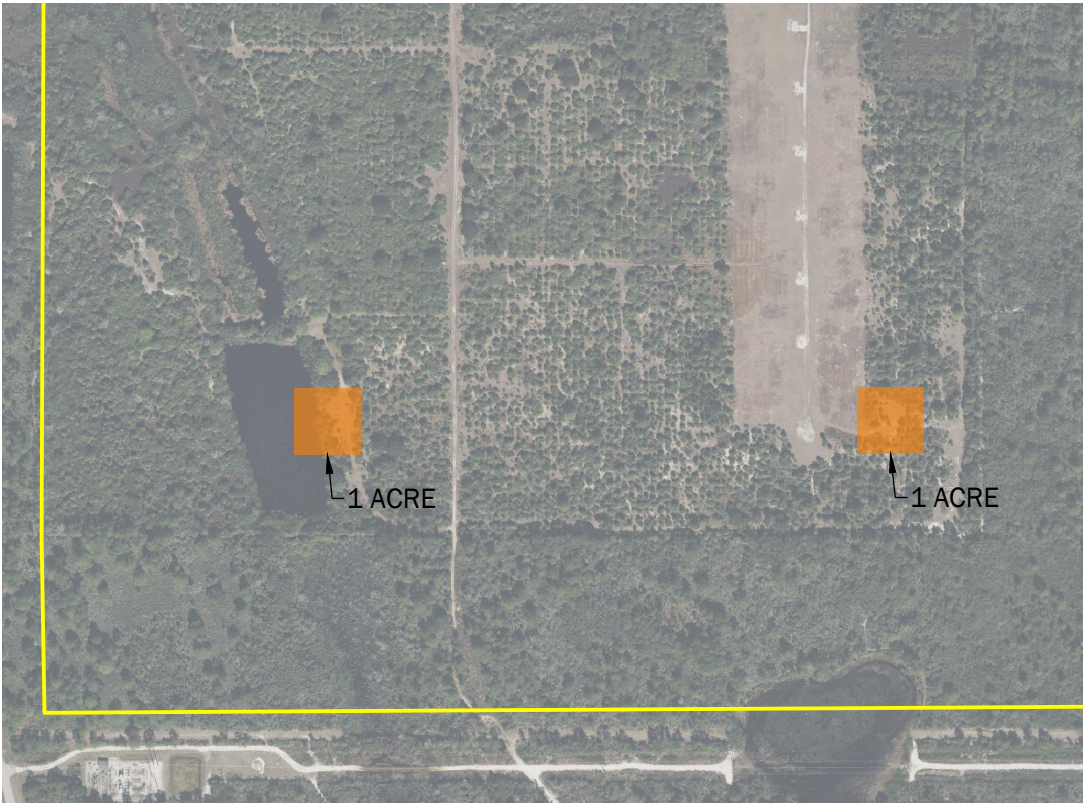
DRAWING: C:\Users\andrew.nazarkewych\Box\CE\PA\PLANNING\TIX_SPACE COAST REGIONAL AIRPORT\LEASE EXHIBIT.dwg PLOTTED ON: 1/5/2024 7:32 AM PLOTTED BY: ANDREW NAZARKEWYCH



OVERALL AIRPORT PROPERTY



INSET A



INSET B



ACTION ITEMS

2025 ELECTION OF OFFICERS

AIRPORT AUTHORITY BOARD OF DIRECTORS OFFICERS POSITIONS



REPORT

DIRECTOR OF AIRPORTS



MEMORANDUM

DATE: January 16, 2025

TO: Airport Authority Board Members

FROM: Kevin Daugherty, AAE
Director of Airports

SUBJECT: Quarterly Update

Business Development Leads

MAG Aerospace – Current tenant at TIX that operates out of a 20,000 square foot hangar and offices along Challenger Avenue. MAG has expressed interest in relocating their RDU facilities here to TIX in support of a new US government aviation maintenance contract. The company would require an additional 30,000 square foot maintenance hangar with offices. Introductory meetings have been scheduled with Space Florida and the North Brevard Economic Development Zone to discuss potential funding and incentive opportunities.

Health First – The First Flight EC-135 MEDEVAC fleet is currently based in MLB. Health First has expressed interest in relocating (2) of the helicopters along with crew quarters to TIX due to the emergency call volume that occurs in North Brevard. We are exploring temporary facilities on the west side of the airport to accommodate their short-term requirements but will be addressing permanent facilities in the near future.

Space X – Initial discussions with the company regarding temporary overflow vehicular parking for the aircraft operations passengers and to relieve the parking strain they currently have at the Space Center. The leased area would be on the west side of TIX along old Taxiway F.

Space Coast Executive Jet Center – the Fixed Based Operator currently operates out of their facility at the end of Challenger Avenue. The company has outgrown the facility and needs additional space to accommodate the uptick in operations. Staff have been working with our consultant and tenant to develop initial conceptual layouts of a new FBO facility (landside and airside) to maximize the leasehold and serve passengers / aircraft over the upcoming planning period.

Bischoff Aerospace – Miami based FAA Part 145 repair station that has interest in constructing a maintenance hangar along with offices at TIX. This will be a secondary location for the company to inspect, maintain and rebuild aircraft engines.

Community Outreach

The election is now complete, and holidays are behind us, we are taking the opportunity to meet with newly elected officials. The purpose of the meetings will be to introduce myself and provide an overview of the TCAA operations. I have already met with City of Titusville's new Mayor and Vice-Mayor and have a meeting scheduled with District 1 Commissioner Katie Delaney. Other meetings will include Congressman Haridopolos, State Representatives, District 2 & 4 County Commissioners along with City of Titusville City Council Members.

Upcoming Industry Events & Training Opportunities

Global Spaceport Alliance Annual Meeting – Orlando, FL

SpaceCom Conference & Expo 2025 – Orlando, FL

Florida Airport's Council State Fly In – Tallahassee, FL

AAAE Finance & Administration Conference – Port Charlotte, FL

Director Performance Metrics FY24 / 25

Complete the Airport's Master Plans for TIX, COI and X21 and begin implementing the new Capital Improvement Program with an emphasis on site-readiness and infrastructure improvements

Finalize update of the Authority's Guidance Documents to include the Policy and Procedure Handbook, Minimum Operating Standards and Rules & Regulations. All recommended updates will be presented to the Board for approval.

Focus on airfield infrastructure for all three Authority airports (upcoming projects will include Air Traffic Control Tower (construction), Runway 18 – 36 Rehabilitation (construction) and Taxiway A (design) at TIX, along with Runway 11-29 and Taxiways A & B (COI)

Continue to fortify relationships with funding partners (FAA, Space Florida, and FDOT), commercial business tenants, and community stakeholders

Enhance and diversify operating budget by pursuing new aeronautical and non-aeronautical revenues for the Authority



REPORT

DEPUTY DIRECTOR OF OPERATIONS & MAINTENANCE

Airport Project Updates

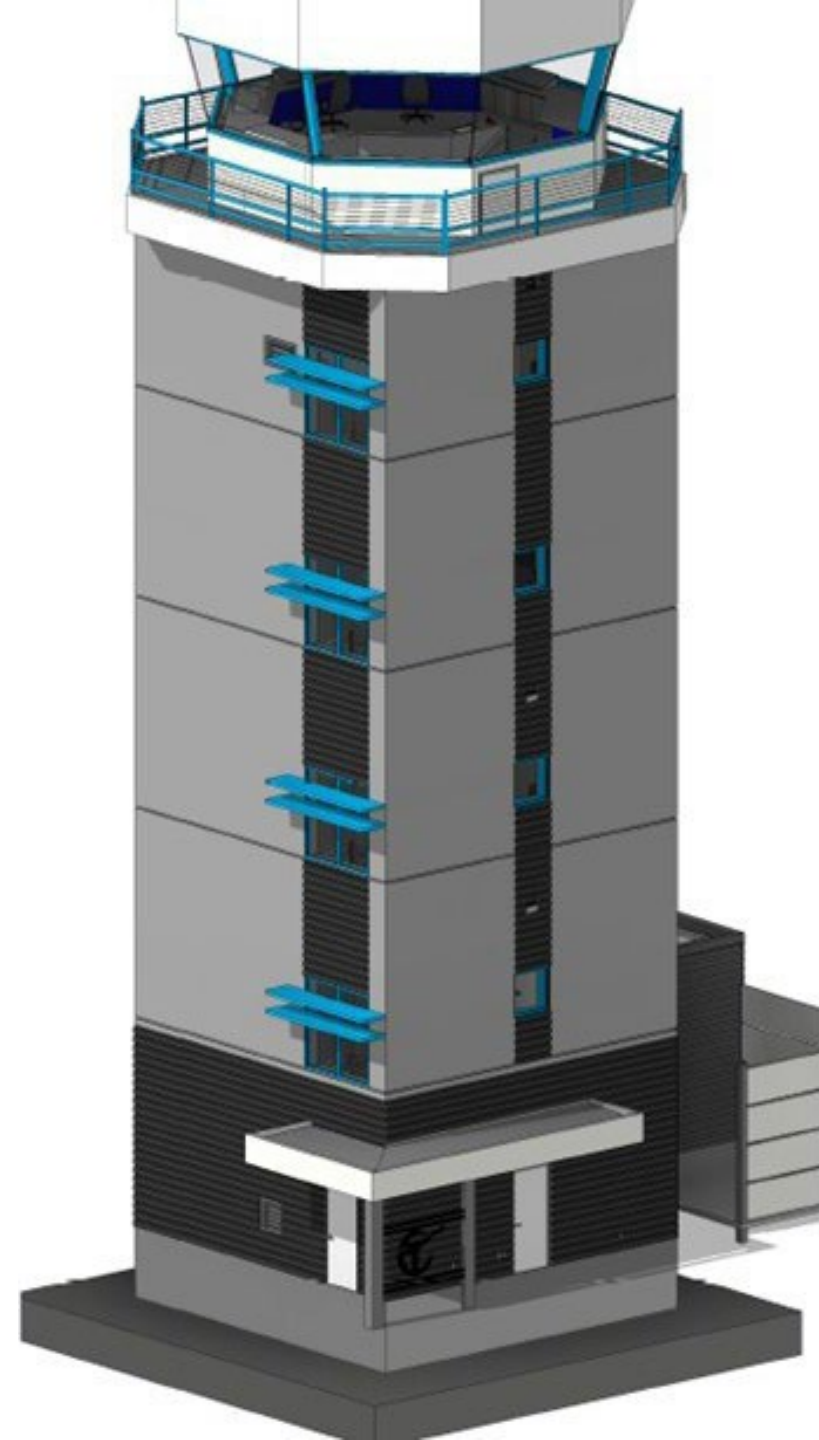
- Challenger Ave Extension Phase I
- TIX Rwy 18/36 Rehab Design
- TIX Air Traffic Control Tower
- TIX Airfield Marking Project
- TIX Northeast Corp Hangar Project
- COI Runway 11/29 Rehab Design



- **PROJECT:** Challenger Avenue Extension Phase I
- **BUDGET:** \$460,000- Design (100% funded by NBEDZ)
- **CURRENT STATUS:** Additional survey and geotech work has commenced

- **PROJECT:** TIX RWY 18/36 Rehabilitation Design/Construction
- **BUDGET:** \$806,000 (90% FAA, 8% FDOT, 2% Local)
 - Design
 - \$10,332,122 (90% FAA, 8% FDOT, 2% Local) - Construction
- **CURRENT STATUS:** Meeting held with contractor 1/15/25. More details to follow shortly.





- **PROJECT:** Airport Traffic Control Tower – Space Coast Regional
- **BUDGET:** \$1,040,00 (80% FDOT, 20% Local) – Design
\$8,875,000 (\$2,000,000 FAA, 80% FDOT, 20% Local) - Construction
- **CURRENT STATUS:** Working on utility easements, contractor setting up staging area



- **PROJECT:** Space Coast Regional Airfield Marking Project
- **BUDGET:** \$171,961 (90% FAA, 8% FDOT, 2% Local)
- **CURRENT STATUS:** Project commenced 1/13/25, expected to be complete within 2 weeks.



- **PROJECT:** Space Coast Regional Northeast Corporate Hangar Design Project
- **BUDGET:** \$775,000 (80% FDOT, 20% Local)
- **CURRENT STATUS:** 15% design review meeting was held 12/18/24. Expecting 30% design drawings in February.



- **PROJECT:** Merritt Island Airport Runway 11-29 Rehab Design
- **BUDGET:** \$407,537 (90% FAA, 8% FDOT, 2% Local)
- **CURRENT STATUS:** Received and currently reviewing 60% design drawings.

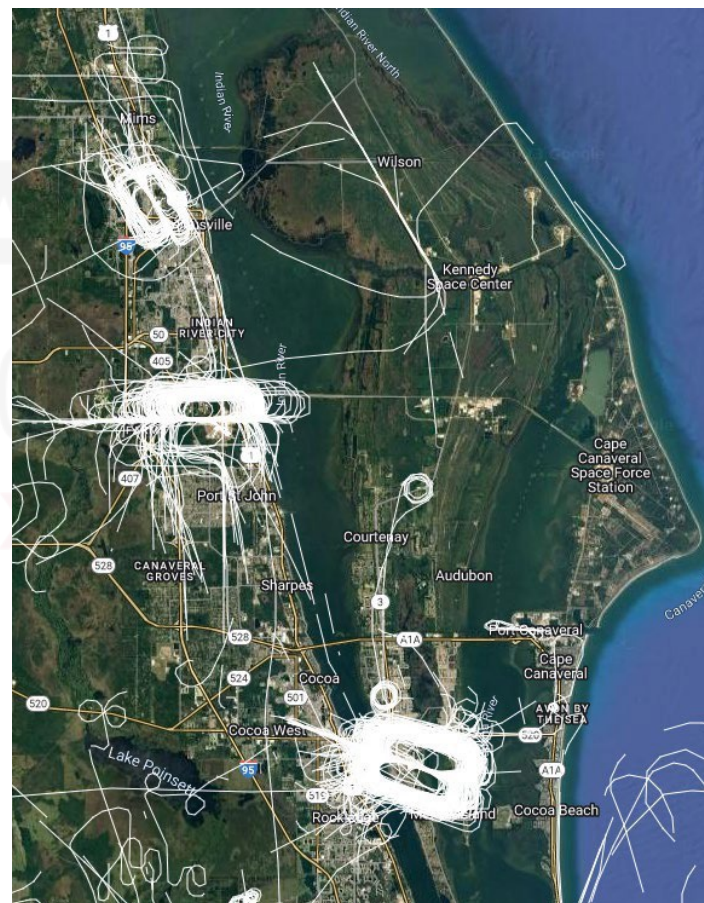
Airport Noise Complaints

December 2024

X21 - 0

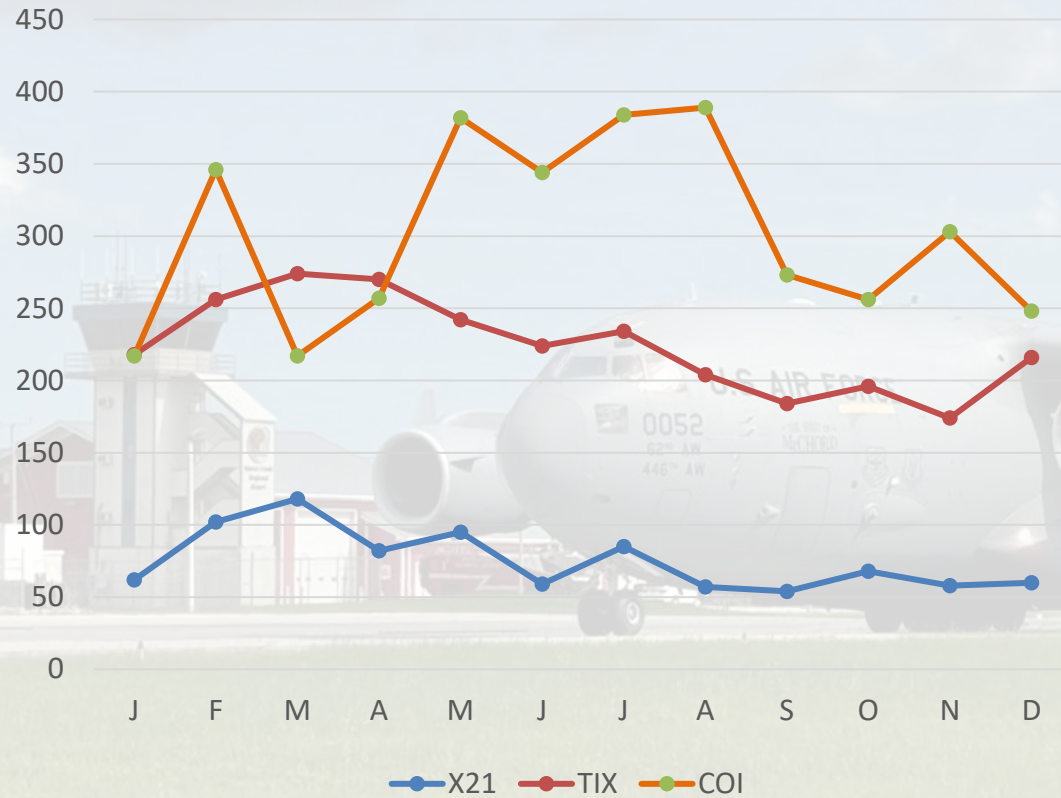
TIX - 0

COI - 18



December 2024 Average Daily Operations

2023/2024 Operations



X21 60
TIX 216
COI 248

Data collected by VirTower

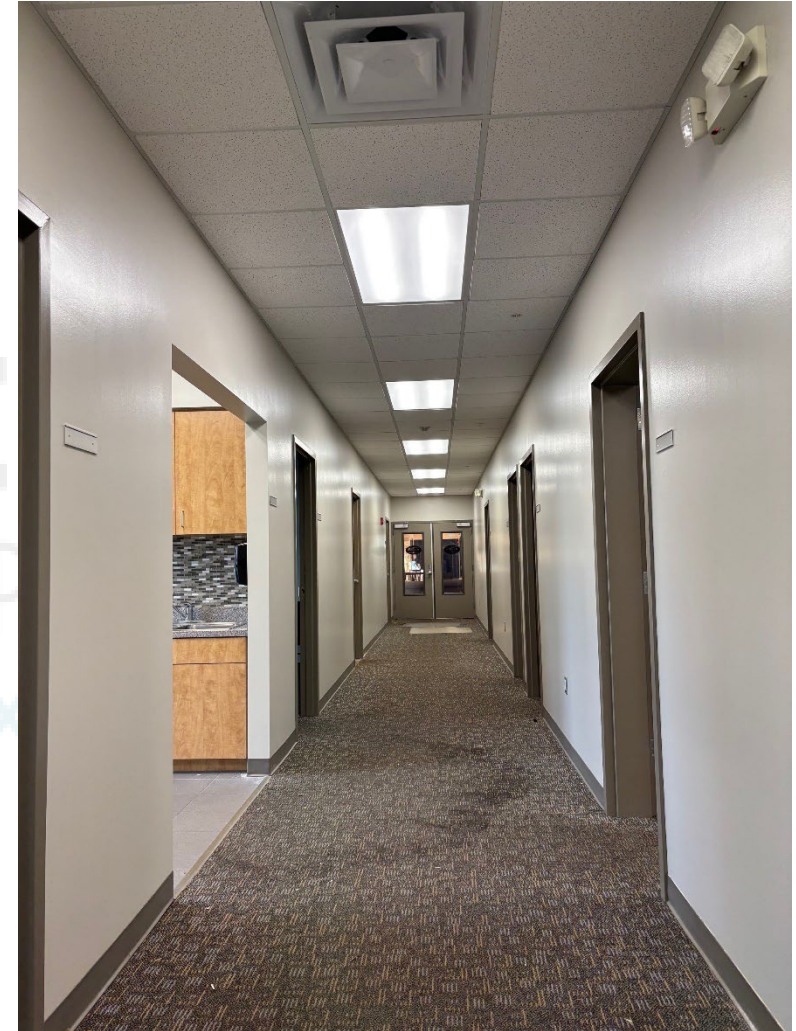
X21

- Replaced several failing purlins on the Skydive Hangar
- Expect RWY 15 PAPI back online this month
- Replacing corroded airfield lighting fixtures



TIX

- Repaired/replaced failed steel on several bi-fold hangar doors
 - Replaced motor on 1 bi-fold door
 - Rehab work Suite 4 (paint, carpet, lighting)
 - New lights in Boardroom and public restrooms
 - New electrical panel being installed for T9
- 1/30/25



COI

- Rehabilitated 2 t-hangars after moveouts
- Repaired high mast lighting on North Ramp
- Rehabilitated South Entry Gate





Titusville-Cocoa Airport Authority

Serving the aerospace community on Florida's Space Coast

Our distinctive three-airport system offers a multitude of amenities, benefits and unmatched opportunities — expert maintenance and repair facilities, aircraft sales, flight training, full service FBOs and soon, Spaceflight.

The premium location offers unique advantages in a thriving aerospace community with proximity to Port Canaveral, Kennedy Space Center, Cocoa Beach, Orlando Tourist Attractions and convenient access to I-95, 528 Beachline Expressway, U.S. 1 and Railway Facilities.

REPORT HANGAR MAINTENANCE REQUEST



Create Work Order

• First Name

• Last Name

• Phone

us

• Report Date & Time

01/10/2025 01:29 PM

• Category

• Priority

• Problem Description

Photos

Drag the attachment here or browse to upload.

• Airport



REPORT

**DEPUTY DIRECTOR OF FINANCE &
ADMINISTRATION**

TITUSVILLE-COCOA AIRPORT AUTHORITY

CHECK REGISTER

NOVEMBER 2024

Vendor	Type	Num	Date	Amount
Mission Square - 303301	Bill Pmt -Check	6544	11/01/2024	407.61
321 Flags and Gifts, LLC	Bill Pmt -Check	6545	11/01/2024	262.80
Advent Electric LLC	Bill Pmt -Check	6546	11/01/2024	982.92
Amazon Capital services	Bill Pmt -Check	6547	11/01/2024	282.55
Arthur J. Gallagher Risk Management Serv	Bill Pmt -Check	6548	11/01/2024	30,467.00
AT&T	Bill Pmt -Check	6549	11/01/2024	472.16
AT&T Business	Bill Pmt -Check	6550	11/01/2024	1,740.12
AT&T Internet	Bill Pmt -Check	6551	11/01/2024	64.20
AT&T Mobility	Bill Pmt -Check	6552	11/01/2024	407.84
Brevard Uniform Co	Bill Pmt -Check	6553	11/01/2024	66.90
Central Hydraulics	Bill Pmt -Check	6554	11/01/2024	199.83
City of Cocoa	Bill Pmt -Check	6555	11/01/2024	49.73
City Of Titusville	Bill Pmt -Check	6556	11/01/2024	1,186.23
Dish	Bill Pmt -Check	6557	11/01/2024	87.10
Dynafire	Bill Pmt -Check	6558	11/01/2024	1,168.42
Florida Coast Equipment	Bill Pmt -Check	6559	11/01/2024	668.66
FPL	Bill Pmt -Check	6560	11/01/2024	1,714.36
FPL	Bill Pmt -Check	6561	11/01/2024	744.08
FPL	Bill Pmt -Check	6562	11/01/2024	1,498.42
Infrastructure Consulting & Engineering	Bill Pmt -Check	6563	11/01/2024	85,677.67
Media 1 Signs Inc.	Bill Pmt -Check	6564	11/01/2024	2,255.00
NAPA Auto Parts	Bill Pmt -Check	6565	11/01/2024	279.98
RICONDO	Bill Pmt -Check	6566	11/01/2024	37,197.42
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RICONDO	Bill Pmt -Check	6568	11/01/2024	25,269.97
Safeguard Business Systems, Inc	Bill Pmt -Check	6569	11/01/2024	180.51
SiteOne Landscape Supply	Bill Pmt -Check	6570	11/01/2024	615.00
T's Handyman Service	Bill Pmt -Check	6571	11/01/2024	5,550.00
Titusville Area Chamber of Commerce	Bill Pmt -Check	6572	11/01/2024	375.00
Titusville Police Department	Bill Pmt -Check	6573	11/01/2024	220.00
Tuttle Armfield Wagner Appraisal	Bill Pmt -Check	6574	11/01/2024	4,000.00
Waste Management	Bill Pmt -Check	6575	11/01/2024	478.70
Gary Barrentine	Bill Pmt -Check	6576	11/01/2024	387.40
Bruce Haupt	Bill Pmt -Check	6577	11/01/2024	50.00
David Fout	Bill Pmt -Check	6578	11/01/2024	46.73
Kenneth Rivard	Bill Pmt -Check	6579	11/01/2024	30.00
Mission Square - 303301	Bill Pmt -Check	6580	11/15/2024	407.61
Amazon Capital services	Bill Pmt -Check	6581	11/15/2024	98.16
AT&T	Bill Pmt -Check	6582	11/15/2024	187.62
Black's Spray Service, Inc	Bill Pmt -Check	6583	11/15/2024	549.00

TITUSVILLE-COCOA AIRPORT AUTHORITY
CHECK REGISTER
NOVEMBER 2024

Brevard County Tax Collector	Bill Pmt -Check	6584	11/15/2024	29,055.14
Brevard Uniform Co	Bill Pmt -Check	6585	11/15/2024	33.45
City of Cocoa	Bill Pmt -Check	6586	11/15/2024	242.39
City Of Titusville	Bill Pmt -Check	6587	11/15/2024	37.81
City Of Titusville	Bill Pmt -Check	6588	11/15/2024	260.00
Culligan	Bill Pmt -Check	6589	11/15/2024	84.95
Faster Than Sound, Inc	Bill Pmt -Check	6590	11/15/2024	1,780.00
Florida Alarm & Security Technologies	Bill Pmt -Check	6591	11/15/2024	25.00
FPL	Bill Pmt -Check	6592	11/15/2024	4,234.39
FPL	Bill Pmt -Check	6593	11/15/2024	685.66
FPL	Bill Pmt -Check	6594	11/15/2024	807.43
Home Depot Credit Services	Bill Pmt -Check	6595	11/15/2024	912.03
Lacy's Lock	Bill Pmt -Check	6596	11/15/2024	11.00
LOWE'S	Bill Pmt -Check	6597	11/15/2024	360.50
Metal Roof Factory, Inc	Bill Pmt -Check	6598	11/15/2024	234.00
NAPA Auto Parts	Bill Pmt -Check	6599	11/15/2024	199.98
Robertson's Lawns Inc	Bill Pmt -Check	6600	11/15/2024	1,370.00
Southeast Services of CFL Inc.	Bill Pmt -Check	6601	11/15/2024	285.00
T's Handyman Service	Bill Pmt -Check	6602	11/15/2024	10,435.00
Watkins Oil	Bill Pmt -Check	6603	11/15/2024	3,890.26
Whitebird Attorneys at Law	Bill Pmt -Check	6604	11/15/2024	14,714.50
Travis Haferkamp	Bill Pmt -Check	6605	11/15/2024	70.54
Michael Katz	Bill Pmt -Check	6606	11/15/2024	151.25
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Davis Vision	Bill Pmt -Check	6608	11/29/2024	69.53
CHLIC	Bill Pmt -Check	6609	11/29/2024	553.15
Board of County Commissioners	Bill Pmt -Check	6610	11/29/2024	15,696.35
Standard Insurance Company	Bill Pmt -Check	6611	11/29/2024	619.58
Allen Enterprises, Inc.	Bill Pmt -Check	6612	11/29/2024	391.08
Amazon Capital services	Bill Pmt -Check	6613	11/29/2024	35.63
AT&T	Bill Pmt -Check	6614	11/29/2024	473.10
AT&T Business	Bill Pmt -Check	6615	11/29/2024	1,712.50
AT&T Mobility	Bill Pmt -Check	6616	11/29/2024	409.62
AVCON	Bill Pmt -Check	6617	11/29/2024	3,453.90
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City Of Titusville	Bill Pmt -Check	6621	11/29/2024	1,220.72
Culligan	Bill Pmt -Check	6622	11/29/2024	44.95
Christina Kinard	Bill Pmt -Check	6623	11/29/2024	513.22
Dish	Bill Pmt -Check	6624	11/29/2024	87.10
FPL	Bill Pmt -Check	6625	11/29/2024	504.07

TITUSVILLE-COCOA AIRPORT AUTHORITY
CHECK REGISTER
NOVEMBER 2024

FPL	Bill Pmt -Check	6626	11/29/2024	834.67
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Infrastructure Consulting & Engineering	Bill Pmt -Check	6628	11/29/2024	25,569.24
Nix Pest Management	Bill Pmt -Check	6629	11/29/2024	256.00
Pitney Bowes Global Financing Services	Bill Pmt -Check	6630	11/29/2024	192.54
Southeast Services of CFL Inc.	Bill Pmt -Check	6631	11/29/2024	587.57
T's Handyman Service	Bill Pmt -Check	6632	11/29/2024	825.00
The Quotient Group	Bill Pmt -Check	6633	11/29/2024	12,100.00
W&J Construction Corporation	Bill Pmt -Check	6634	11/29/2024	60,411.13
Michael Hall	Bill Pmt -Check	6635	11/29/2024	53.66
Kenneth Rivard	VOID	6579	11/21/2024	-30.00
Michael Hall	Bill Pmt -Check	6636	11/29/2024	25.00
Judith Rivard	Bill Pmt -Check	6637	11/29/2024	190.46
Charles Downing	Bill Pmt -Check	6638	11/29/2024	151.25
Andra Shirley	Bill Pmt -Check	6639	11/29/2024	<u>25.00</u>
TOTAL				<u><u>\$437,004.60</u></u>

TITUSVILLE COCOA AIRPORT AUTHORITY
Titusville - Cocoa Airport Authority
Check Register
December 2024

Vendor	Type	Num	Date	Amount
Mission Square - 303301	Bill Pmt -Check	6640	12/12/2024	407.61
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AT&T	Bill Pmt -Check	6642	12/13/2024	187.50
AT&T Internet	Bill Pmt -Check	6643	12/13/2024	64.20
AVCON	Bill Pmt -Check	6644	12/13/2024	7,300.00
Brevard Uniform Co	Bill Pmt -Check	6645	12/13/2024	143.80
Carr, Riggs & Ingram	Bill Pmt -Check	6646	12/13/2024	4,000.00
Culligan	Bill Pmt -Check	6647	12/13/2024	54.95
East Coast Fence & Guardrail	Bill Pmt -Check	6648	12/13/2024	3,012.16
Faster Than Sound, Inc	Bill Pmt -Check	6649	12/13/2024	1,780.00
Florida Alarm & Security Technologies	Bill Pmt -Check	6650	12/13/2024	137.00
FPL	Bill Pmt -Check	6651	12/13/2024	793.63
FPL	Bill Pmt -Check	6652	12/13/2024	3,270.69
FPL	Bill Pmt -Check	6653	12/13/2024	1,502.93
Home Depot Credit Services	Bill Pmt -Check	6654	12/13/2024	872.09
Konica Minolta Business Solutions	Bill Pmt -Check	6655	12/13/2024	542.88
Pitney Bowes Bank Inc Purchase Power	Bill Pmt -Check	6656	12/13/2024	200.00
Robertson's Lawns Inc	Bill Pmt -Check	6657	12/13/2024	1,000.00
Southeast Services of CFL Inc.	Bill Pmt -Check	6658	12/13/2024	220.00
Southern Impact Welding LLC	Bill Pmt -Check	6659	12/13/2024	15,300.00
Spacecom - Global Spaceport Alliance	Bill Pmt -Check	6660	12/13/2024	2,000.00
Staples	Bill Pmt -Check	6661	12/13/2024	47.49
T's Handyman Service	Bill Pmt -Check	6662	12/13/2024	17,771.00
Titusville Area Chamber of Commerce	Bill Pmt -Check	6663	12/13/2024	175.00
Waste Management	Bill Pmt -Check	6664	12/13/2024	504.77
Watkins Oil	Bill Pmt -Check	6665	12/13/2024	2,179.54
Whitebird Attorneys at Law	Bill Pmt -Check	6666	12/13/2024	4,403.50
Wolen, L.L.C.	Bill Pmt -Check	6667	12/13/2024	622.52
Sheltair Dunn, LLC	Bill Pmt -Check	6668	12/13/2024	200,000.00
Sheltair Space Coast, LLC	Bill Pmt -Check	6669	12/13/2024	200,000.00
Chloe Aguilar	Bill Pmt -Check	6670	12/13/2024	50.00
Allen Enterprises, Inc.	Bill Pmt -Check	6671	12/27/2024	3,440.69
Amazon Capital services	Bill Pmt -Check	6672	12/27/2024	151.14
AT&T	Bill Pmt -Check	6673	12/27/2024	472.68
AT&T Business	Bill Pmt -Check	6674	12/27/2024	882.39
AT&T Mobility	Bill Pmt -Check	6675	12/27/2024	409.65
Brady Industries, LLC	Bill Pmt -Check	6676	12/27/2024	913.57
Brevard Uniform Co	Bill Pmt -Check	6677	12/27/2024	66.90
City of Cocoa	Bill Pmt -Check	6678	12/27/2024	381.34
Civilian Military Council	Bill Pmt -Check	6679	12/27/2024	485.00

TITUSVILLE COCOA AIRPORT AUTHORITY
Titusville - Cocoa Airport Authority
Check Register
December 2024

FPL	Bill Pmt -Check	6680	12/27/2024	619.64
FPL	Bill Pmt -Check	6681	12/27/2024	639.00
FPL	Bill Pmt -Check	6682	12/27/2024	1,330.04
Gatto's Tires & Auto Service	Bill Pmt -Check	6683	12/27/2024	800.88
Titusville Area Chamber of Commerce	Bill Pmt -Check	6684	12/27/2024	250.00
Waterbird Window Cleaning	Bill Pmt -Check	6685	12/27/2024	870.00
Stine Fredheim	Bill Pmt -Check	6686	12/27/2024	1,453.06
T's Handyman Service	Bill Pmt -Check	6687	12/27/2024	475.00
City Of Titusville	Bill Pmt -Check	6688	12/27/2024	319.24
Davis Vision	Bill Pmt -Check	6689	12/27/2024	73.86
CHLIC	Bill Pmt -Check	6690	12/27/2024	418.01
Mission Square - 303301	Bill Pmt -Check	6691	12/27/2024	407.61
Board of County Commissioners	Bill Pmt -Check	6692	12/27/2024	15,933.41
Standard Insurance Company	Bill Pmt -Check	6693	12/27/2024	625.34
Nardella & Nardella, PLLC	Bill Pmt -Check	6694	12/27/2024	7,500.00
Nardella & Nardella, PLLC	Bill Pmt -Check	6695	12/27/2024	1,715.00

Titusville-Cocoa Airport Authority, Florida
PRELIMINARY FINANCIAL STATEMENTS
11/30/2024

Titusville-Cocoa Airport Authority
Statements of Net Position

	<u>11/30/2024</u>	<u>9/30/2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,533,348	\$ 1,776,506
Restricted cash and cash equivalents	267,776	264,762
Accounts receivable	1,164,108	1,122,119
Reserve for Bad Debt	(845,554)	(845,554)
Leases receivable	215,670	215,670
Due from other governments	476,326	662,447
Prepaid expenses	138,051	29,360
Total current assets	<u>2,949,726</u>	<u>3,225,310</u>
Noncurrent capital assets		
Land	13,621,899	13,621,899
Buildings and improvements	34,274,472	34,274,472
Runways and lighting	46,066,773	46,066,260
Furniture, fixtures, and equipment	655,267	653,283
Vehicles	1,261,417	1,261,417
Construction in process	6,296,560	6,184,137
Accumulated depreciation	(35,285,963)	(34,847,061)
Lease receivables	19,484,059	19,484,059
Total noncurrent capital assets	<u>86,374,483</u>	<u>86,698,466</u>
Total assets	<u>\$ 89,324,209</u>	<u>\$ 89,923,776</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions	\$ 340,348	\$ 340,348
Deferred outflow related to other post-employment benefits	14,044	14,044
Total deferred outflows of resources	<u>\$ 354,392</u>	<u>\$ 354,392</u>

Titusville-Cocoa Airport Authority
Statements of Net Position

	<u>11/30/2024</u>	<u>9/30/2024</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 13,540	\$ 290,324
Retainage payable	39,906	39,906
Accrued expenses and other liabilities	76,214	341,666
Truist - Line of Credit	-	-
ST - Note payable - USATS Bldg 1	240,000	240,000
Refundable deposits	268,038	264,762
Unearned revenue	1,128,435	1,143,622
Compensated absences	92,298	92,298
Total current liabilities	<u>1,858,431</u>	<u>2,412,578</u>
Noncurrent liabilities		
Note payable - USATS Bldg 1	240,000	240,000
Net pension liabilities	1,367,849	1,367,849
Other post-employment benefits liability	28,925	28,925
Total noncurrent liabilities	<u>1,636,774</u>	<u>1,636,774</u>
Total liabilities	<u>\$ 3,495,205</u>	<u>\$ 4,049,352</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	147,095	147,095
Deferred inflows of leases	\$ 18,279,256	\$ 18,279,256
Total deferred inflows of resources	<u>\$ 18,426,351</u>	<u>\$ 18,426,351</u>
NET POSITION		
Net investment in capital assets	\$ 66,412,459	\$ 66,442,367
Restricted for airport improvements	995,081	995,081
Unrestricted	349,505	365,017
Total net position	<u>\$ 67,757,045</u>	<u>\$ 67,802,465</u>

Titusville-Cocoa Airport Authority
Preliminary Statement of Revenues, Expenses and Changes in Net Position
For the Two Months Ending November 30, 2024

	Arthur Dunn	Merritt Island	Space Coast Regional	Space Coast Space Station	TCAA Airport Authority G&A	Consolidated
Operating revenues						
T-hangers	\$ 36,567	\$ 130,911	\$ 69,949	\$ -	\$ -	\$ 237,427
Fixed base operations	14,200	34,141	23,974	-	-	72,315
Building, land, and other leases	19,004	54,286	175,144	122,974	-	371,408
Miscellaneous revenue	5,080	599	36,683	805	-	43,167
Total Operating Revenue	74,851	219,937	305,750	123,779	-	724,317
Operating expenses						
Operating and maintenance expenses						
Wages and personnel expenses	25,664	50,401	109,110	22,026	22,829	230,030
Professional services	278	11,279	278	60	8,374	20,269
Communications and utilities	2,888	14,890	18,256	5,740	5,002	46,776
Insurance	9,511	21,859	38,181	8,120	-	77,671
Marketing & website	-	10,000	(25)	19	3,534	13,528
Repairs and maintenance	1,675	17,079	17,675	1,093	1,530	39,052
Materials and supplies	1,662	1,255	2,754	1,385	5,745	12,801
Gain/Loss Disposed Fixed Assets	-	-	-	-	-	0
Bad debt expense	-	-	-	-	-	-
Total operating and maintenance expenses	41,678	126,763	186,229	38,443	47,014	440,127
Non-cash operating expenses						
Depreciation	36,966	124,678	264,685	12,573	-	438,902
Total operating expenses	78,644	251,441	450,914	51,016	47,014	879,031
Operating gain (loss)	(3,793)	(31,504)	(145,164)	72,763	(47,014)	(154,713)
Non-operating revenues (expenses)						
Interest income					579	579
Interest expense					-	-
Total non-operating revenues (expenses)	-	-	-	-	579	579
Gain (Loss) before contributions	(3,793)	(31,504)	(145,164)	72,763	(46,435)	(154,134)
Capital contributions	-	25,058	83,655	-	-	108,713
Change in net position	\$ (3,793)	\$ (6,446)	\$ (61,509)	\$ 72,763	\$ (46,435)	(45,420)
Net position, beginning of year						67,802,465
Net position, November 30, 2024						\$ 67,757,045

Titusville-Cocoa Airport Authority, Florida
PRELIMINARY FINANCIAL STATEMENTS
12/31/2024

Titusville-Cocoa Airport Authority
Statements of Net Position

	<u>12/31/2024</u>	<u>9/30/2024</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,376,017	\$ 1,776,506
Restricted cash and cash equivalents	269,176	264,762
Accounts receivable	1,163,331	1,122,119
Reserve for Bad Debt	(845,554)	(845,554)
Leases receivable	215,670	215,670
Due from other governments	610,655	662,447
Prepaid expenses	505,754	29,360
Total current assets	<u>3,295,048</u>	<u>3,225,310</u>
Noncurrent capital assets		
Land	13,621,899	13,621,899
Buildings and improvements	34,274,472	34,274,472
Runways and lighting	46,066,773	46,066,260
Furniture, fixtures, and equipment	655,487	653,283
Vehicles	1,261,417	1,261,417
Construction in process	6,568,666	6,184,137
Accumulated depreciation	(35,509,048)	(34,847,061)
Lease receivables	19,484,059	19,484,059
Total noncurrent capital assets	<u>86,423,725</u>	<u>86,698,466</u>
Total assets	<u><u>\$ 89,718,773</u></u>	<u><u>\$ 89,923,776</u></u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions	\$ 340,348	\$ 340,348
Deferred outflow related to other post-employment benefits	14,044	14,044
Total deferred outflows of resources	<u><u>\$ 354,392</u></u>	<u><u>\$ 354,392</u></u>

Titusville-Cocoa Airport Authority
Statements of Net Position

	<u>12/31/2024</u>	<u>9/30/2024</u>
LIABILITIES		
Current liabilities		
Accounts payable	\$ 302,771	\$ 290,324
Retainage payable	39,906	39,906
Accrued expenses and other liabilities	51,107	341,666
Truist - Line of Credit	-	-
ST - Note payable - USATS Bldg 1	240,000	240,000
Refundable deposits	269,176	264,762
Unearned revenue	1,133,258	1,143,622
Compensated absences	92,298	92,298
Total current liabilities	<u>2,128,516</u>	<u>2,412,578</u>
Noncurrent liabilities		
Note payable - USATS Bldg 1	240,000	240,000
Net pension liabilities	1,367,849	1,367,849
Other post-employment benefits liability	28,925	28,925
Total noncurrent liabilities	<u>1,636,774</u>	<u>1,636,774</u>
Total liabilities	<u>\$ 3,765,290</u>	<u>\$ 4,049,352</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	147,095	147,095
Deferred inflows of leases	\$ 18,279,256	\$ 18,279,256
Total deferred inflows of resources	<u>\$ 18,426,351</u>	<u>\$ 18,426,351</u>
NET POSITION		
Net investment in capital assets	\$ 66,147,653	\$ 66,442,367
Restricted for airport improvements	995,081	995,081
Unrestricted	738,790	365,017
Total net position	<u>\$ 67,881,524</u>	<u>\$ 67,802,465</u>

Titusville-Cocoa Airport Authority
Preliminary Statement of Revenues, Expenses and Changes in Net Position
For the Three Months Ending December 31, 2024

	Arthur Dunn	Merritt Island	Space Coast Regional	Space Coast Space Station	TCAA Airport Authority G&A	Consolidated
Operating revenues						
T-hangers	\$ 54,824	\$ 196,510	\$ 104,791	\$ -	\$ -	\$ 356,125
Fixed base operations	21,300	51,427	31,872	-	-	104,599
Building, land, and other leases	28,559	81,322	258,008	184,461	-	552,350
Miscellaneous revenue	7,625	813	37,273	1,863	-	47,575
Total Operating Revenue	112,308	330,072	431,944	186,324	-	1,060,648
Operating expenses						
Operating and maintenance expenses						
Wages and personnel expenses	33,966	69,439	151,358	28,697	63,172	346,632
Professional services	4,916	15,705	4,917	200	12,216	37,954
Communications and utilities	3,480	18,045	21,037	-	7,687	50,249
Insurance	14,168	33,100	57,624	12,180	-	117,072
Marketing & website	-	10,000	-	12	3,813	13,825
Repairs and maintenance	3,281	36,921	58,890	1,093	2,111	102,296
Materials and supplies	2,261	2,016	4,513	2,053	12,105	22,948
Gain/Loss Disposed Fixed Assets	-	-	-	-	-	0
Bad debt expense	-	-	-	-	-	-
Total operating and maintenance expenses	62,072	185,226	298,339	44,235	101,105	690,976
Non-cash operating expenses						
Depreciation	55,752	188,039	399,232	18,963	-	661,986
Total operating expenses	117,824	373,265	697,571	63,198	101,105	1,352,963
Operating gain (loss)	(5,516)	(43,193)	(265,627)	123,126	(101,105)	(292,315)
Non-operating revenues (expenses)						
Interest income					579	579
Interest expense					-	-
Total non-operating revenues (expenses)	-	-	-	-	579	579
Gain (Loss) before contributions	(5,516)	(43,193)	(265,627)	123,126	(100,525)	(291,731)
Capital contributions	39,002	173,981	157,807	-	-	370,790
Change in net position	\$ 33,486	\$ 130,788	\$ (107,820)	\$ 123,126	\$ (100,525)	79,059
Net position, beginning of year						67,802,465
Net position, December 31, 2024						\$ 67,881,524

TITUSVILLE COCOA AIRPORT AUTHORITY

Profit Loss Budget Overview

December 2024

	Actual Dec '24	Budget Oct '24 - 'Sep 25	% Budget
Ordinary Income/Expense			
Income			
Grant Revenue	\$ 370,790	\$ -	
Aeronautical Revenue			
T-Hangar Leases	356,125	1,361,519	26.16%
Bldg Leases & Land Leases	424,324	1,478,468	28.70%
FBO Bldg, Land & Fuel Flowage	104,599	182,568	57.29%
Investment Fee	7,560	30,240	25.00%
Total Aeronautical Revenue	892,608	3,052,795	29.24%
Non-Aeronautical Revenue			
Bldg Leases	15,813	38,875	40.68%
Land Leases	51,978	332,360	15.64%
Storage Unit Leases	60,234	253,335	23.78%
Total Non-Aeronautical Revenue	128,026	624,570	20.50%
Misc. Income	5,970	2,500	238.79%
Property Ins. Refund (VAC)	34,045		
Total Income	1,431,439	3,679,865	38.90%
Expense			
Fringe Benefits	124,477	505,505	24.62%
Operating Expenses			
Salaries & Wages	223,821	956,485	23.40%
Hiring Expenses	118	500	23.60%
Education & Training	2,237	17,000	13.16%
Professional Services	25,773	128,200	20.10%
Consulting Services	12,181	90,000	13.53%
Information Technology	-	6,600	0.00%
Contracted Services	9,564	37,500	25.50%
Insurance	113,053	441,551	25.60%
Office Equipment	537	9,900	5.42%
Office Services	1,416	11,400	12.42%
Memberships & Subscriptions	9,174	36,000	25.48%
Marketing	11,901	22,600	52.66%
Taxes, Permits & Fees	6,403	-	
Fuel Systems	6,070	38,000	15.97%
Repairs & Maintenance	93,134	463,804	20.08%
Travel	1,916	11,000	17.42%
Utilities	43,647	205,000	21.29%
Capital Outlay	-	320,000	0.00%
Depreciation	661,987		
Bank Fees	5,551	-	
Total Expense	1,352,959	3,301,045	40.99%
Net Ordinary Income	78,480	378,820	20.72%

For Management Use Only

TITUSVILLE COCOA AIRPORT AUTHORITY

Profit Loss Budget Overview

December 2024

	Actual Dec '24	Budget Oct '24 - 'Sep 25	% Budget
Other Income/Expense			
Other Income			
Interest Income	579	-	
Total Other Income	579	-	
Other Expense			
Development	20,092	263,209	7.63%
Contingency	-	115,611	0.00%
Interest Expense	-	-	
Fraudulent Expense	-	-	
Total Other Expense	20,093	378,820	5.30%
Net Other Income	(19,514)	(378,820)	5.15%
Net Income	\$ 58,968	\$ -	



REPORT
AUTHORITY ATTORNEY



REPORTS

AUTHORITY MEMBERS



PUBLIC COMMENT



ADJOURN