

Compliance with Grant Assurances

- FAA Hangar Use Policy
- Grant Assurances: Economic Non-Discrimination, Exclusive Rights, Preserving Rights and Powers
- Subordination clauses for FAA agreements



Hangar Use Policy Details

- Policy applies to privately owned hangars on federally obligated airports
- Non-aeronautical storage allowed only in limited circumstances
- Reasonable time allowances for kit-built aircraft assembly
- Non-aeronautical use must be charged at Fair Market Value (FMV)





Grant Assurance Lease Requirements

- Subordination Clause: “This Lease shall be subordinate to the provisions and conditions of all past and future agreements between the Lessor, State, and Federal Government.”
- Rental terms and conditions for allowed and disallowed uses
 - Lease agreements V.S. Rules and Regulations
- Reversion clauses for improvements
- Escalation clauses
- Assignments and subletting requirements
- Through-the-Fence (TTF) agreements



Pitfalls to Avoid

- Conflicts between leases and rules, regulations, or minimum standards
- Lease terms exceeding capital investment requirements
- Failure to include reversion language
- Not including mortgage protections
- Drafting leases without attorney review
- Not protecting against assignments, subleasing, and heirs
- Lack of explicit language banning exclusive rights



Recap and Additional Resources

- FAA Compliance Manual (Order 5190.6C)
Updated February 20th:
https://www.faa.gov/airports/resources/publications/orders/compliance_5190_6
- FAA Hangar Use Policy:
<https://www.faa.gov/sites/faa.gov/files/uas/FAA-Hangar-Use-Policy.pdf>
- ACRP Report 47:
<https://www.trb.org/Publications/Blurbs/164919.aspx>
- TDOT Hangar Rate and Charges
Resources : [Hangar Rates and Charges Resources](#)

Lease Review Cheat Sheet

