

LEASE FOR HANGAR SPACE OPTION

BETWEEN

BOARD OF COUNTY COMMISSIONERS  
OKALOOSA COUNTY, FLORIDA

AND

ANDREW C. CRUCE

This LEASE FOR HANGAR SPACE fully executed this 12<sup>th</sup> day of August, 2008, by and between the COUNTY OF OKALOOSA, a political subdivision of the State of Florida, acting by and through its BOARD OF COUNTY COMMISSIONERS (hereinafter called "COUNTY") and ANDREW C. CRUCE (hereinafter called "LESSEE").

WITNESSETH:

COUNTY hereby lets to LESSEE and LESSEE hereby hires and takes from COUNTY at the Destin/Ft. Walton Beach Airport in the County of Okaloosa, State of Florida (hereinafter referred to as "AIRPORT"), that certain location designated as Block 8 Lot 9 as shown on file in the office of the Airports Director, which is hereby incorporated herein by reference, and COUNTY hereby gives to LESSEE permission to occupy and maintain one (1) of 11 metal "T" hangar unit for the storage of individually-owned/corporate-owned aircraft at the aforesaid location. Additional aircraft may be stored in the hangar with proper notice to the COUNTY provided that proof of required insurance coverage is provided to the COUNTY.

This Lease for Hangar Space (hereinafter called "LEASE") is subject to the following terms, covenants, conditions, and agreements to be kept, performed, and observed by the LESSEE.

SECTION 1: TERM

This LEASE shall have an expiration date of March 31, 2022.

SECTION 2: AIRCRAFT OWNERSHIP

LESSEE shall provide written confirmation to the COUNTY of proof of ownership of individually-owned/corporate-owned aircraft to be stored pursuant to this LEASE. In the

L08-0316-AP14-145  
LESSEE: ANDREW CRUCE  
DAP BLOCK 8/LOT 9  
EXPIRES: 3/31/2022  
REPLACES #1189

event LESSEE's aircraft is sold, LESSEE shall have one year to replace said aircraft; otherwise this lease shall be voided at the COUNTY's discretion.

### SECTION 3: IMPROVEMENTS TO COUNTY

Any and all improvements hereafter installed, erected, or placed within the Leased Premises, including alterations and repairs shall become, upon the termination of this LEASE for any cause, the absolute and sole property of COUNTY and shall not be removed from the Leased Premises. If on termination of this LEASE, LESSEE is not in default, LESSEE shall have the right to remove from the Leased Premises any equipment or trade fixtures that can be removed without damage to the Leased Premises (and if any damage does occur on any such removal, LESSEE shall promptly repair the same).

### SECTION 4: CONSTRUCTION OF HANGAR

COUNTY has constructed one (1) eleven (11) unit "T" Hangar complex.

### SECTION 5: BUILDING, ALTERATIONS, AND PERMITS

LESSEE shall at its expense apply for and obtain any and all building, construction, or other permits and licenses to build, repair, or maintain the improvements contemplated by this LEASE. COUNTY makes no representations or warranty relative to the availability of such licenses or permits, and LESSEE assumes full responsibility for securing same. No construction, modification, or alterations of improvements to include antennas or other devices are permitted without prior written approval by COUNTY.

### SECTION 6: RENTALS

#### a. HANGAR FEES:

LESSEE shall pay to the COUNTY a one-time amount of TWENTY-TWO THOUSAND EIGHT HUNDRED (\$22,800.00) dollars which represents 50 percent of the estimated construction cost per unit. In return for said payment, the COUNTY shall abate its hangar rental fee for the first ten (10) years of the lease. Thereafter, hangar rental fees shall be Two Hundred Sixty Four Dollars and Thirty Six Cents (\$264.36) per month commencing on the first day of the first month of the 11<sup>th</sup> year subsequent to the execution of this lease, and a like sum on the first day of each month for the remaining 10 years of this Lease.

#### b. HANGAR INSURANCE:

The COUNTY shall process property insurance for the full replacement value on the basic hangar structure exclusive of any improvements made by LESSEE. The annual cost of this policy plus a five (5) percent contingency/administrative fee shall be apportioned among the LESSEES occupying hangars on October 1 each year.



c. GROUND LEASE:

LESSEE shall pay in advance an annual ground lease fee determined by bid. The fee shall be adjusted in accordance with Section 7. The ground lease and applicable sales tax will be billed annually, in advance, and is payable to the Airports Director, Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida, 32542-1498. The lease includes ONE THOUSAND TWO HUNDRED FIFTY (1,250) square feet at ONE DOLLAR AND SIXTY FOUR (\$1.64) cents per square foot per year for a total annual cost of TWO THOUSAND FIFTY DOLLARS AND TWENTY SIX CENTS (\$2,050.26) plus tax.

d. LATE CHARGES:

If LESSEE fails to pay within THIRTY (30) days of date of billing of invoices by COUNTY for applicable rents and charges as herein described, LESSEE shall then pay interest to the COUNTY at the maximum legal allowable rate authorized by the State of Florida. If any rental fee or other charge remains delinquent for a period of sixty days, LESSOR shall have the option to terminate this Agreement.

SECTION 7: ESCALATION CLAUSE:

The ground lease shall be increased annually to reflect the increase in the Consumer Price Index ("CPI") from the date of the original execution hereof by both parties. The "CPI" shall be the revised Consumer Price Index for all Urban Consumers for all items - U.S. City Average, published by the Bureau of Labor Statistics, U. S. Department of Labor, 1982-84=100 (CPI-U).

SECTION 8: UTILITIES

COUNTY does not assume any responsibility in providing utilities to the Leased Premises. LESSEE will pay all utility charges and costs of installation.

SECTION 9: RIGHTS OF LESSOR

a. It is understood and agreed that COUNTY may, in connection with the future development of said AIRPORT, require the space hereinabove for permanent buildings and/or other development. In such case, COUNTY shall give written notice to LESSEE. After THIRTY (30) days from said written notice, COUNTY shall have the right at COUNTY's expense, to remove said hangar and erect it at said AIRPORT as designated in writing by COUNTY, provided that said new location is reasonably, feasibility, accessible to the taxiways and runways.

b. COUNTY reserves itself, its successors, and assigns for the use and benefits of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described together with the right to cause in said airspace such noises as may be inherent in the operations of aircraft, now known or hereafter used for

navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating on the AIRPORT.

c. LESSEE expressly agrees for itself, its successors, and assigns to prevent any use of the hereinafter-described real property, which would interfere with or adversely affect the operation or maintenance of the AIRPORT, or otherwise constitute an airport hazard.

d. LESSEE expressly agrees for itself, its successors, and assigns, to restrict the height of structures, objects, of natural growth, and other obstructions on the hereinafter described real property to such height so as to comply with the Federal Aviation Regulations, Part 77.

#### SECTION 10: COMPLIANCE WITH GOVERNMENTAL PROCEDURES

LESSEE shall conform to all the requirements of applicable State and Federal statutes and regulations and all County Ordinances and regulations, and shall secure such permits and licenses as may be duly required by any such laws, ordinances, or regulations as may be promulgated by COUNTY. In addition, Lessee shall comply with all policies, rules, regulations, or ordinances of the County, which are currently, or may be hereinafter adopted relating to County owned airport facilities.

#### SECTION 11: CARE OF LEASED PREMISES

LESSEE shall keep said hangar and premises neat, clean, and orderly at all times. LESSEE shall not store anything on the premises other than those items specifically required to maintain the owner's aircraft in accordance with Federal Aviation Regulations (FAR's). All petroleum products, solvents, cleaners and flammable material shall be stored in an approved fireproof rated cabinet. Used petroleum products, solvents, cleaners and cleaning materials shall be disposed of both in accordance with all governmental regulations and off the County premises.

#### SECTION 12: MAINTENANCE IN LEASED PREMISES

LESSEE shall nor perform any maintenance in the Leased Premises except for the following: changing tires and batteries, servicing batteries, changing oil, vacuuming aircraft, and replacement of plugs, (washing aircraft shall be accomplished at an FDEP approved wash rack) the above considered minor maintenance for an individually-owned/corporate-owned aircraft. An approved Operating Policy relative to Aircraft Maintenance and Fueling of individually owned aircraft is attached herewith and made a part of this LEASE as exhibit "A" for better clarification and compliance procedures. Repairs and maintenance of aircraft not individually owned by LESSEE are strictly prohibited in the leased area. LESSEE shall park ground transportation in it's leased area only and in a manner not to compromise maneuvering of aircraft and safety of others.



### SECTION 13: TAXES

LESSEE shall pay all taxes or other governmental charges of any nature or kind which may be imposed on rental or lease payments or assessed upon the hangar or improvements and upon any aircraft or other property kept therein promptly when due.

### SECTION 14: ASSIGNMENT AND SUBLEASE

All subsequent transfers and assignments of any interest, including mortgages thereon, require written approval in advance by COUNTY and payment of an Approval Fee of ONE THOUSAND (\$1,000.00) dollars. During the initial 20 year term a new lease fee will be established upon assignment or transfer based on an independent appraisal conducted at the direction of the COUNTY. LESSEE shall have thirty (30) days from the furnishing of the copy of the appraisal to exercise a right of transfer or assign. Otherwise, the transfer or assignment shall not be approved and the ONE THOUSAND (\$1,000.00) DOLLAR approval fee shall be refunded. Following the initial 20 year term, rent will be based on the ground values by an independent appraisal.

Except as hereinabove set out, the Leased Premises may not be sublet, in whole or in part, and LESSEE shall not assign this LEASE or any portion of this LEASE at any given time without prior written consent of COUNTY.

### SECTION 15: INSPECTION ON ASSIGNMENT

LESSEE agrees that upon assignment of this Lease by LESSEE, LESSOR shall have the right to inspect the leased premises and require that the hangar and property be repaired or restored to the condition that it existed upon execution hereof.

### SECTION 16: RISK OF LOSS OR DAMAGE TO HANGAR

LESSEE assumes the risk of loss or damage to the hangar and its contents, whether from windstorm, fire, earthquake, or any other causes whatsoever.

### SECTION 17: RIGHTS OF ENTRY RESERVED

COUNTY has the right to inspect the Leased Premises at any time upon reasonable notice.

### SECTION 18: INSURANCE

#### a. LIABILITY:

LESSEE agrees that LESSEE, shall, during the entire term or any extension of this LEASE, keep in full force and effect, a policy or policies of aircraft liability and public liability insurance with respect to the Leased Premises. The limits of aircraft liability and public liability shall not be less than ONE MILLION (\$1,000,000.00) dollars Combined

Single Limit (CSL) each. The COUNTY reserves the right to increase the minimal aircraft liability and public liability insurance requirements as circumstances may warrant.

b. PROPERTY:

The COUNTY shall at all times maintain property insurance on the leased premises for the full replacement value of the structure. The annual cost shall be apportioned among the lessees. The damage, destruction, or partial destruction of the building shall not release LESSEE from any obligations hereunder, except that the portion of the lease during which these premises cannot be occupied shall have the rent abated, and an equal extension of the term of the lease shall be added.

c. All aircraft liability and public liability coverage shall be endorsed to include Okaloosa County as Additional Insured. In addition, all insurance policies shall contain a clause that the insurer will not cancel or change the insurance without first giving the COUNTY thirty (30) days prior written notice. Prior to occupying the Leased Premises and annually upon renewal, LESSEE shall furnish COUNTY a Certificate of Insurance evidencing all required insurance. The Certificate(s) of Insurance shall be delivered to the Contracts and Lease Coordinator, 602-C N. Pearl Street, Crestview, FL 32536. On request, LESSEE shall deliver an exact copy of the policy or policies including all endorsements.

SECTION 19: NOTICES

Any and all notices to be given under this LEASE may be served by enclosing the same in a sealed envelope and directed to the other party at its address and deposited in the mail as first class mail with postage therein paid. When so given, such notice shall be effective from the date of mailing. Unless otherwise provided in writing by the parties hereto, the address of the AIRPORT DIRECTOR is as follows: Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida 32542-1413. The address of the LESSEE is: Andrew C. Cruce, 963 Forest Trail, Cordillera, CO 81632.

SECTION 20: HOLD HARMLESS

To the fullest extent permitted by law, LESSEE shall indemnify hold harmless COUNTY, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or intentional, wrongful conduct of the LESSEE and other persons employed or utilized by the LESSEE in the performance of this lease.

SECTION 21: BINDING NATURE OF LEASE

This LEASE shall be binding on the assigns, transfers, heirs, executors, successors, and trustees of the parties hereto.



## SECTION 22: PROHIBITED ACTIVITY

LESSEE shall not commit or suffer to be committed on said premises, any waste, nuisance, or unlawful act.

## SECTION 23: COMMERCIAL ACTIVITY PROHIBITED

No commercial activity of any nature or kind is allowed on the Leased Premises.

## SECTION 24: RESTRICTIONS ON MECHANIC'S LIENS

Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of COUNTY, express or implied, by inference or otherwise, to any contractor, sub-contractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the demised premises or any part thereof, nor as giving LESSEE and right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the demised premises or any part thereof. Such liens are hereby strictly prohibited.

## SECTION 25: TERMINATION BY LESSOR

If LESSEE breaches or violates any of the terms and provisions hereof, COUNTY shall have the right to terminate this LEASE forthwith by giving written notice to LESSEE, and if not corrected within THIRTY (30) days, this LEASE would be terminated and in such event of termination, the improvements thereon would become the property of COUNTY.

## SECTION 26: NON-DISCRIMINATION

LESSEE, for its self, its personal representatives, successors, in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate the LEASE and to reenter and repossess said land and the facilities thereon, and hold the same as if said LEASE had never been made or issued.

This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including exercise or expiration of appeal rights.

#### SECTION 27: PLACE OF PAYMENTS

All payments and notices to COUNTY shall be given or mailed to the following address:

AIRPORTS DIRECTOR  
OKALOOSA COUNTY AIRPORTS  
1701 HIGHWAY 85 NORTH  
EGLIN AFB, FLORIDA 32542-1498

#### SECTION 28: CONSTRUCTION AND APPLICATION OF TERMS

The section and paragraph headings 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 portion hereof. The parties have participated jointly in the negotiation and drafting of this Lease. In the event an ambiguity or question of intent or interpretation arises, this Lease shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Lease. Both parties have had an opportunity to have their respective legal counselors review this Lease.

#### SECTION 29: LEGAL DESCRIPTION

Contains 1,250 square feet more or less.

#### SECTION 30: RENEWAL OF LEASE

At the end of this initial lease period, all improvements to the property shall become the sole possession of OKALOOSA COUNTY.

##### a. OPTION TERM:

Provide LESSEE is in compliance with all terms and conditions of this Agreement, LESSEE shall have an option to renew this Agreement with all the same terms and conditions except for rent for additional term of twenty (20) years.

##### b. RENT:

Rent for the additional term shall be established by an independent appraisal conducted by the COUNTY. If LESSEE does not agree with the rental fee established as a result of the independent appraisal, the option to renew shall be null and void and this lease shall terminate. Adjustments will be based upon the provisions of SECTION 7: ESCALATION.



c. NOTICE:

LESSEE shall give COUNTY at least one hundred twenty (120) days written notice prior to the termination of this lease of its intent to exercise the option to renew.

SECTION 31: ENTIRE LEASE

This LEASE consists of the following: Sections 1 to 31. It constitutes the entire LEASE of the parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by COUNTY and LESSEE.

IN WITNESS, the parties hereto have executed these presents as of the day and year first above written.

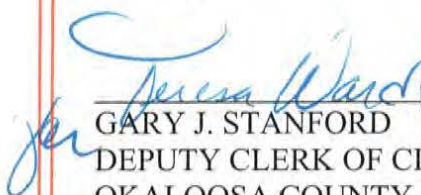
BOARD OF COUNTY COMMISSIONERS  
OKALOOSA COUNTY, FLORIDA



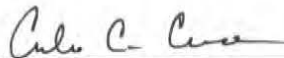
JAMES CAMPBELL  
CHAIRMAN



ATTEST:



GARY J. STANFORD  
DEPUTY CLERK OF CIRCUIT COURT  
OKALOOSA COUNTY, FLORIDA



ANDREW C. CRUCE



WITNESS



WITNESS



ACKNOWLEDGMENTS

*Colorado*  
STATE OF ~~FLORIDA~~  
COUNTY OF ~~OKALOOSA~~  
*Eagle*

Before me, the undersigned officer duly authorized to take acknowledgments in the COUNTY and STATE aforesaid, personally appeared ANDREW C. CRUCE who, under oath, deposes and says that he is authorized to execute contracts and lease agreements and that he executed the foregoing instrument for the uses and purposes contained therein.

Sworn and subscribed before me this 4 day of August, 2008, AD.



*[Signature]*  
NOTARY

My Commission expires: 10/15/2010

LEASE  
FOR  
HANGAR SPACE  
ANDREW C. CRUCE

This LEASE FOR HANGAR SPACE, fully executed this 15<sup>th</sup> day of April, 2002, by and between the COUNTY OF OKALOOSA, a political subdivision of the State of Florida, acting by and through its BOARD OF COUNTY COMMISSIONERS (hereinafter called "COUNTY") and ANDREW C. CRUCE (hereinafter called "LESSEE"):

WITNESSETH:

COUNTY hereby lets to LESSEE and LESSEE hereby hires and takes from COUNTY at the Destin/Ft. Walton Beach Airport in the County of Okaloosa, State of Florida (hereinafter referred to as "AIRPORT"), that certain location designated as LOT 9 BLOCK 8 as shown on file in the office of the Airports Director, which is hereby incorporated herein by reference, and COUNTY hereby gives to LESSEE permission to occupy and maintain one (1) of 11 metal "T" hangar unit for the storage of individually-owned/corporate-owned aircraft at the aforesaid location.

This Lease for Hangar Space (hereinafter called "LEASE") is subject to the following terms, covenants, conditions, and agreements to be kept, performed, and observed by the LESSEE.

SECTION 1: TERM

This LEASE shall be for a term of approximately TWENTY (20) years and shall take effect on the 1st day of April, 2002 and end on the 31st day of March, 2022, AD.

SECTION 2: AIRCRAFT OWNERSHIP

LESSEE shall, provide written confirmation to the COUNTY of proof of ownership of individually-owned/corporate-owned aircraft to be constructed and stored pursuant to this LEASE.

147-0189-AP20-63  
LESSEE: ANDREW CRUCE  
OAP LOT 9/BLOCK 8  
EXPIRES: 3/31/2022



### SECTION 3: IMPROVEMENTS TO COUNTY

Any and all improvements hereafter installed, erected, or placed within the Leased Premises, including alterations and repairs shall become, upon the termination of this LEASE for any cause, the absolute and sole property of COUNTY and shall not be removed from the Leased Premises. If on termination of this LEASE, LESSEE is not in default, LESSEE shall have the right to remove from the Leased Premises any equipment or trade fixtures that can be removed without damage to the Leased Premises (and if any damage does occur on any such removal, LESSEE shall promptly repair the same).

### SECTION 4: LEASE ADDENDUM

LESSEE is authorized to assemble a Lancair IV kit in the leased T-Hangar. LESSEE is also authorized to maintain the aircraft in the hangar in accordance with the LESSEEs repairman's certificate anticipated to be granted on completion of the aircraft and inspection by the FAA. The COUNTY reserves the right to inspect the hangar from time to time to ensure the LESSEE is not engaging in activities not related to the assembly and maintenance of the aircraft and that applicable environmental restrictions are being maintained.

To allow assembly of a Lancair IV in the hangar facility the LESSEE is authorized by the airport administration to make enhancements to the hangar including:

- Installation of an environmental control system. LESSEE is required to obtain permission from adjacent hangar tenant to run electrical, drain and coolant lines through adjacent hangar's ceiling.
- Add electrical outlets around the perimeter of the hangar.
- Seal hangar floor.
- Add interior lighting.
- Add insulation.

The LESSEE is still required to obtain any necessary permissions and inspections associated with these enhancements.

### SECTION 5: BUILDING ALTERATIONS AND PERMITS

LESSEE shall at its expense apply for and obtain any and all building, construction, or other permits and licenses to modify, repair, or maintain the improvements contemplated by this LEASE from the City of Destin, or any other authority having jurisdiction to require the same. COUNTY makes no representations or warranty relative to the

availability of such licenses or permits, and LESSEE assumes full responsibility for securing same. No construction, modification, or alterations of improvements to include antennas or other devices are permitted without prior written approval by COUNTY.

#### SECTION 6: RENTALS

##### a. HANGAR FEES:

LESSEE shall pay to the COUNTY a one-time amount of TWENTY-TWO THOUSAND EIGHT HUNDRED (\$22,800.00) dollars which represents 50 percent of the estimated construction cost per unit. In return for said payment, the COUNTY shall abate its hangar rental fee for the first ten (10) years of the lease. Thereafter, hangar rental fees shall be Two Hundred Sixty Four Dollars and thirty six cents (\$264.36) per month commencing on the first day of the first month of the 11th year subsequent to the execution of this lease, and a like sum on the first day of each month for the remaining 10 years of this Lease.

##### b. HANGAR INSURANCE:

The COUNTY shall process property insurance for the full replacement value on the basic hangar structure exclusive of any improvements made by LESSEE. The annual cost of this policy plus a five (5) percent contingency/administrative fee shall be apportioned among the LESSEES occupying hangars on October 1 each year.

##### c. GROUND LEASE:

LESSEE shall pay in advance an annual ground lease fee initially determined by bid. The ground lease and applicable sales tax will be billed annually, in advance, and is payable to the Airports Director, Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida, 32542-1413. The lease on LOT 9, BLOCK 8, includes ONE THOUSAND TWO HUNDRED FIFTY (1,250) square feet at ONE DOLLAR AND FORTY FIVE CENTS (\$1.45) per square foot per year for a total annual cost of ONE THOUSAND EIGHT HUNDRED TWELVE DOLLARS AND FIFTY CENTS (\$1,812.50).

##### d. ESCALATION CLAUSE:

The annual ground lease fee for each consecutive FIVE (5) year period of the term of this LEASE shall be increased to reflect the increase in the Consumer Price Index ("CPI") from the date of the original execution hereof by both parties. The "CPI" shall be the revised Consumer Price Index for Urban Wage Earners and Clerical Workers for all items - U. S. City Average, published by the Bureau of Labor Statistics, U. S. Department of Labor, 1967 = 100 (C.P. I.).

##### e. LATE CHARGES:

If LESSEE fails to pay within THIRTY (30) days of date of billing of invoices by COUNTY for applicable rents and charges as herein described, LESSEE shall then pay



interest to the COUNTY at the maximum legal allowable rate authorized by the State of Florida. If any rental fee or other charge remains delinquent for a period of sixty days, LESSOR shall have the option to terminate this Agreement.

#### SECTION 7: UTILITIES

COUNTY does not assume any responsibility in providing utilities to the Leased Premises. LESSEE will pay all utility charges and costs of installation.

#### SECTION 8: RIGHTS OF LESSOR

a) It is understood and agreed that COUNTY may, in connection with the future development of said AIRPORT, require the space hereinabove referred to which is designated for permanent buildings and/or other development. In such case, COUNTY shall give written notice to LESSEE. After THIRTY (30) days from said written notice, COUNTY shall have the right at COUNTY's expense, to remove said hangar and erect it at said AIRPORT as designated in writing by COUNTY, provided that said new location is reasonably, feasibility, accessible to the taxiways and runways.

b) COUNTY reserves itself, its successors, and assigns for the use and benefits of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described together with the right to cause in said airspace such noises as may be inherent in the operations of aircraft, now known or hereafter used for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating on the AIRPORT.

c) LESSEE expressly agrees for itself, its successors, and assigns to prevent any use of the hereinafter-described real property, which would interfere with or adversely affect the operation or maintenance of the AIRPORT, or otherwise constitute an airport hazard.

d) LESSEE expressly agrees for itself, its successors, and assigns, to restrict the height of structures, objects, of natural growth, and other obstructions on the hereinafter described real property to such height so as to comply with the Federal Aviation Regulations, Part 77.

#### SECTION 9: COMPLIANCE WITH GOVERNMENTAL PROCEDURES

LESSEE shall conform to all the requirements of applicable State and Federal statutes and regulations and all County and City of Destin Ordinances and regulations, and shall secure such permits and licenses as may be duly required by any such laws, ordinances, or regulations as may be promulgated by COUNTY or the City of Destin. In addition, Lessee shall comply with all policies, rules, regulations, or ordinances of the County which are currently or may be hereinafter adopted relating to County owned airport facilities.

#### SECTION 10: CARE OF LEASED PREMISES

LESSEE shall keep said hangar and premises neat, clean, and orderly at all times. LESSEE shall not store anything on the premises other than those items specifically required to maintain the owners aircraft. All petroleum products, solvents, cleaners and flammable material shall be stored in an approved fireproof rated cabinet. Used petroleum products, solvents, cleaners and cleaning materials shall be disposed of both in accordance with all governmental regulations and off the County premises.

#### SECTION 11: MAINTENANCE IN LEASED PREMISES

LESSEE shall not perform any maintenance in the Leased Premises except for the following: changing tires and batteries, servicing batteries, changing oil, vacuuming aircraft, and replacement of plugs, (washing aircraft shall be accomplished at an FDEP approved wash rack) the above considered minor maintenance for an individually-owned/corporate-owned aircraft. An approved Operating Policy relative to Aircraft Maintenance and Fueling of individually owned aircraft is attached herewith and made a part of this LEASE as Exhibit "A" for better clarification and compliance procedures. Repairs and maintenance of aircraft not individually owned by LESSEE are strictly prohibited in the leased area. LESSEE shall park ground transportation in it's leased area only and in a manner so as not to compromise maneuvering of aircraft and safety of others.

#### SECTION 12: TAXES

LESSEE shall pay all taxes or other governmental charges which may be imposed on rental or lease payments or assessed upon the hangar and upon any aircraft or other property kept therein promptly when due.

#### SECTION 13: ASSIGNMENT AND SUBLEASE

After the initial construction and financing of said hangar, all subsequent transfers and assignments of any interest, including mortgages thereon, require written approval in advance by COUNTY and payment of an Approval Fee of TWENTY-FIVE (\$25.00) dollars to cover administrative costs.

Except as hereinabove set out, the Leased Premises may not be sublet, in whole or in part, and LESSEE shall not assign this LEASE or any portion of this LEASE at any given time without prior written consent of COUNTY. COUNTY shall not unreasonably withhold such consent.

#### SECTION 14: INSPECTION ON ASSIGNMENT

LESSEE agrees that upon assignment of this Lease by LESSEE, LESSOR shall have the right to inspect the leased premises and require that the hangar and property be repaired or restored to the condition that it existed upon execution hereof – ordinary wear and tear accepted.



#### SECTION 15: RIGHTS OF ENTRY RESERVED

COUNTY has the right to inspect the Leased Premises at any time upon reasonable notice.

#### SECTION 16: INSURANCE

a. **LIABILITY:** LESSEE agrees that LESSEE, shall, during the entire term or any extension of this LEASE, keep in full force and effect, a policy or policies of aircraft liability and public liability insurance with respect to the Leased Premises. The limits of aircraft liability and public liability shall not be less than ONE MILLION (\$1,000,000.00) dollars Combined Single Limit (CSL) each. The COUNTY reserves the right to increase the minimal aircraft liability and public liability insurance requirements as circumstances may warrant.

b. **PROPERTY:** The County shall at all times maintain property insurance on the leased premises for the full replacement value of the structure. The annual cost shall be apportioned among the lessees. The damage, destruction, or partial destruction of the building shall not release LESSEE from any obligations hereunder, except that the portion of the lease during which the premises cannot be occupied shall have the rent abated, and an equal extension of the term of the lease shall be added.

c. All aircraft liability and public liability coverage shall be endorsed to include Okaloosa County as Additional Insured. In addition, all insurance policies shall contain a clause that the insurer will not cancel or change the insurance without first giving the COUNTY thirty (30) days prior written notice. Prior to occupying the Leased Premises and annually upon renewal, LESSEE shall furnish COUNTY a Certificate of Insurance evidencing all required insurance. The Certificate(s) of Insurance shall be delivered to the Contracts and Lease Coordinator, 602-C N. Pearl Street, Crestview, FL 32536. On request, LESSEE shall deliver an exact copy of the policy or policies including all endorsements.

#### SECTION 17: NOTICES

Any and all notices to be given under this LEASE may be served by enclosing the same in a sealed envelope and directed to the other party at its address and deposited in the mail as first class mail with postage therein paid. When so given, such notice shall be effective from the date of mailing. Unless otherwise provided in writing by the parties hereto, the address of the AIRPORT DIRECTOR is as follows: Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida 32542-1413. The address of the LESSEE is: Andrew C. Cruce, 3009 Bay Villas Drive, Destin, Florida 32550.

#### SECTION 18: HOLD HARMLESS

To the fullest extent permitted by law, LESSEE shall indemnify hold harmless COUNTY, its officers and employees from liabilities, damages, losses, and costs including but not limited to reasonable attorney fees, to the extent caused by the negligence, recklessness, or

intentional, wrongful conduct of the LESSEE and other persons employed or utilized by the LESSEE in the performance of this lease.

SECTION 19:

This LEASE shall be binding on the assigns, transfers, heirs, executors, successors, and trustees of the parties hereto.

SECTION 20:

LESSEE shall not commit or suffer to be committed on said premises, any waste, nuisance, or unlawful act.

SECTION 21: COMMERCIAL ACTIVITY PROHIBITED

No commercial activity of any nature or kind is allowed on the Leased Premises.

SECTION 22: RESTRICTIONS ON MECHANIC'S LIENS

Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of COUNTY, express or implied, by inference or otherwise, to any contractor, sub-contractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the demised premises or any part thereof, nor as giving LESSEE and right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the demised premises or any part thereof. Such liens are hereby strictly prohibited

SECTION 23: TERMINATION BY LESSOR

If LESSEE breaches or violates any of the terms and provisions hereof, COUNTY shall have the right to terminate this LEASE forthwith by giving written notice to LESSEE, and if not corrected within THIRTY (30) days, this LEASE would be terminated and in such event of termination, the improvements thereon would become the property of COUNTY.

SECTION 24: NON-DISCRIMINATION

LESSEE, for its self, its personal representatives, successors, in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department



of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally assisted programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

That in the event of breach of any of the above nondiscrimination covenants, COUNTY shall have the right to terminate the LEASE and to reenter and repossess said land and the facilities thereon, and hold the same as if said LEASE had never been made or issued. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21, are followed and completed, including exercise or expiration of appeal rights.

#### SECTION 25: PLACE OF PAYMENTS

All payments and notices to COUNTY shall be given or mailed to the following address:

AIRPORTS DIRECTOR  
OKALOOSA COUNTY AIRPORTS  
1701 HIGHWAY 85 NORTH  
EGLIN AFB, FLORIDA 32542-1413

#### SECTION 26: CONSTRUCTION AND APPLICATION OF TERMS

The section and paragraph headings 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 portion hereof.

#### SECTION 27: ENTIRE LEASE


This LEASE consists of the following: Sections 1 to 27, and Exhibit "A". It constitutes the entire LEASE of the parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by COUNTY and LESSEE.

IN WITNESS, the parties hereto have executed these presents as of the day and year first above written.

BOARD OF COUNTY COMMISSIONERS  
OKALOOSA COUNTY, FLORIDA

  
\_\_\_\_\_  
JACKIE BURKETT  
CHAIRMAN  
5/8/2002  


ATTEST:

  
\_\_\_\_\_  
GARY J. STANFORD  
DEPUTY CLERK OF CIRCUIT COURT



  
\_\_\_\_\_  
ANDREW C. CRUCE

  
\_\_\_\_\_  
WITNESS  
AUTHORIZED REPRESENTATIVE



ACKNOWLEDGMENTS

STATE OF FLORIDA  
COUNTY OF ~~OKALOOSA~~ *Walton*

Before me, the undersigned officer duly authorized to take acknowledgments in the COUNTY and STATE aforesaid, personally appeared ANDREW C. CRUCE who, under oath, deposes and says that he is duly authorized to execute contracts and lease agreements and that he executed the foregoing instrument for the uses and purposes contained therein.

Sworn and subscribed before me this 15<sup>th</sup> day of April, 2002, AD.



Christie L. Mayer  
MY COMMISSION # CC824643 EXPIRES  
April 8, 2003  
BONDED THRU TROY FAIN INSURANCE, INC

*Christie L. Mayer*  
\_\_\_\_\_  
NOTARY

My Commission expires: 4/8/03