

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 09/27/2022

Contract/Lease Control #: L22-0506-AP

Procurement#: NA

Contract/Lease Type: LEASE

Award To/Lessee: GULF AIR GROUP

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 09/20/2022

Expiration Date: 09/20/2042 W/ (4) FIVE-YEAR RENEWALS

Description of
Contract/Lease: GROUND LEASE AT THE BOB SIKES AIRPORT (CEW)

Department: AP

Department Monitor: STAGE

Monitor's Telephone #: 850-689-7160

Monitor's FAX # or E-mail: TSTAGE@MYOKALOOSA.COM

Closed:

Cc: Finance Department Contracts & Grants Office

**PROCUREMENT/CONTRACT/LEASE
INTERNAL COORDINATION SHEET**

Procurement/Contract/Lease Number: <u>T1610</u>	Tracking Number: <u>4588-22</u>
Procurement/Contractor/Lessee Name: <u>Gulf Airway</u>	Grant Funded: YES <u>NO</u> <u>X</u>
Purpose: <u>Grand Lease Agent</u>	
Date/Term: <u>20 years</u>	1. <input checked="" type="checkbox"/> GREATER THAN \$100,000
Department #: <u>Rune</u>	2. <input type="checkbox"/> GREATER THAN \$50,000
Account #: <u>Rune</u>	3. <input type="checkbox"/> \$50,000 OR LESS
Amount: _____	
Department: <u>Airport</u>	Dept. Monitor Name: <u>Stacy</u>

Purchasing Review	
Procurement or Contract/Lease requirements are met:	
<u>[Signature]</u>	Date: <u>4-28-22</u>
Purchasing Manager or designee	Jeff Hyde, DeRita Mason, Jessica Darr, Angela Etheridge

2CFR Compliance Review (if required)	
Approved as written: <u>no Federal Ind</u>	Grant Name: _____
_____	Date: _____
Grants Coordinator	Suzanne Ulloa

Risk Management Review	
Approved as written: <u>See Email attached</u>	Date: <u>28 May, 2022</u>

Risk Manager or designee	Kristina LoFria

County Attorney Review	
Approved as written: <u>See Email attached</u>	Date: <u>12 May, 2022</u>

County Attorney	Lynn Hoshihara, Kerry Parsons or Designee

Department Funding Review	
Approved as written: _____	Date: _____

IT Review (if applicable)	
Approved as written: <u>Not Applicable</u>	Date: _____

DeRita Mason

From: Kristina LoFria
Sent: Thursday, April 28, 2022 3:11 PM
To: DeRita Mason
Subject: RE: Coordination - Gulf Air Group

DeRita,

Good afternoon, this is approved by Risk for insurance purposes only.

Thank You

Kristy LoFria

Okaloosa County BOCC-Risk Management
Public Records & Contract Specialist
302 N Wilson St Suite 301
Crestview, Florida 32536
klofria@myokaloosa.com
850-689-5979



For all things Wellness please visit:

<http://www.myokaloosa.com/wellness>

"When the winds of adversity blow against your boat, just adjust your sail."

"Don't aim for success if you want it; just do what you love and believe in, and it will come naturally." David Frost

Please note: Due to Florida's very broad public records laws, most written communications to or from county employees regarding county business are public records, available to the public and media upon request. Therefore, this written e-mail communication, including your e-mail address, may be subject to public disclosure.

From: DeRita Mason <dmason@myokaloosa.com>
Sent: Thursday, April 28, 2022 2:58 PM
To: Lynn Hoshihara <lhoshihara@myokaloosa.com>
Cc: Kerry Parsons <kparsons@myokaloosa.com>; Kristina LoFria <klofria@myokaloosa.com>; Jesica Darr <jdarr@myokaloosa.com>
Subject: FW: Coordination - Gulf Air Group

Good afternoon,

Jesica Darr

From: Lynn Hoshihara
Sent: Thursday, May 12, 2022 12:34 PM
To: Jesica Darr
Cc: Kerry Parsons
Subject: Re: Coordination - Gulf Air Group
Attachments: Gulf Air Group Lease 5.12.22.docx

Categories: Amendment Renewals DM

With the attached changes, this lease is approved.

Lynn M. Hoshihara
County Attorney
Okaloosa County, Florida

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From: Jesica Darr
Sent: Monday, May 9, 2022 9:24:15 AM
To: Lynn Hoshihara
Cc: Kerry Parsons
Subject: RE: Coordination - Gulf Air Group

Good Morning !

I've received an e-mail from Allyson this morning. She was inquiring the status of the coordination.

I wanted to check with you. Please advise.

Thank you for your time! Have a good day!

Respectfully,

Jesica

From: DeRita Mason <dmason@myokaloosa.com>
Sent: Thursday, April 28, 2022 2:58 PM
To: Lynn Hoshihara <lhoshihara@myokaloosa.com>
Cc: Kerry Parsons <kparsons@myokaloosa.com>; Kristina LoFria <klofria@myokaloosa.com>; Jesica Darr <jdarr@myokaloosa.com>
Subject: FW: Coordination - Gulf Air Group

Good afternoon,
Please review and approve the attached.
Thank you,

Ground Lease Agreement
With Gulf Air Group, Inc.
At the Bob Sikes Airport (CEW)

This ground lease agreement is executed and entered into this 20th day of September, 2022, by and between, Okaloosa County, a political subdivision of the State of Florida, by and through its Board of County Commissioners, hereinafter referred to as "Lessor", whose principal address is 1250 N. Eglin Parkway, Suite 100, Shalimar, FL 32579, Florida, and Gulf Air Group, Inc., hereinafter referred to as "Lessee", whose principal address is 5486 Fairchild Road, Hangar 7, Crestview, Florida 32539.

The Lessor and Lessee, for the consideration herein set forth, agree as follows:

SECTION ONE
Leased Premises/Crestview Facility

1.1 Lessor does hereby lease certain real property at the Bob Sikes Airport, CEW (the "Airport"), as indicated in the attached and incorporated Exhibit A, (hereinafter referred to as the "Property"). The Property together with the improvements to be constructed by the Lessee are hereinafter referred to as the "Crestview Facility". The Lessee shall enjoy use of the airport facilities, i.e., runway, taxiway, etc. as the Bob Sikes Airport is a Public Use Airport.

SECTION TWO
Crestview Facilities

2.1 The Lessee shall complete all designs, permitting, demolition, construction for the proposed improvements and obtain Certificates of Occupancy no later than thirty (30) months from the date of approval of this agreement at no expense to the County.

Facilities Construction will represent an approximately \$10.9 million investment to include (see also Exhibit B):

- Main Hangar – 57,000 square feet
- Warehouse for in/out bound cargo – 3,000 square feet
- Turboprop Hangar – 10,500 square feet
- Metal Shop adjacent to Main Hangar – 3,750 square feet
- Access alleyway behind Main Hangar – 30' wide for total of 16,907 square feet
- 20,646 square feet of ramp off set in front of Main Hangar
- 5,500 square feet of loading and truck turnaround area beside and in front of the Turboprop Hangar

2.2 Lessor and Lessee mutually agree that Lessee's approval of the environmental history is a material provision of this Agreement. If, at any time, Lessee is informed of, or becomes aware of, any issue negatively impacting the property's suitability for purpose due to negative environmental impacts, Lessee shall immediately inform Lessor. Thereafter, Lessor shall have thirty (30) days to

submit a proposal to Lessee to resolve the issue to the satisfaction of Lessee. If Lessee is unable or unwilling to accept the proposal for resolution by Lessor, Lessee may terminate this Agreement with no penalty by written notice to Lessor.

2.3 The parties anticipate the ability to comply with the timeframes currently set forth in this agreement, however the parties recognize that the supply-chain, labor and economic disruption caused by the Covid-19 pandemic has not subsided. Lessee shall not be liable to Lessor nor be deemed to have defaulted or breached this agreement for any delay or failure in performing any term of this agreement if such failure is caused by any act or event, foreseen or unforeseen, which prevents Lessee in whole or in part from performing its obligations under this agreement. Said delay or failure must be beyond the reasonable control and fault of the Lessee and cannot be overcome by the exercise of due diligence. In the event the Lessee anticipates the inability to comply with a timeframe set forth herein, Lessee shall notify the Airports Director, in writing and request an enlargement of time for completion. The Airports Director will not unreasonably deny any such request for an enlargement of time, especially in consideration of the disruptions caused by the Covid-19 pandemic. An enlargement of time under this section shall not interrupt or abate the incentive period set forth in section 5.1.

2.4 Lessee shall furnish one (1) set of as-built drawings to the airport upon completion of the project. Lessee is responsible for meeting all building code requirements and requirements through the Okaloosa County Growth Management Development Order and permitting process.

SECTION THREE

Lessee Obligations

3.1 The Lessee shall retain the current one hundred two (102) positions at the Crestview facility and transfer twenty-five (25) positions to the Crestview facility within thirty (30) days of the date of issuance of a Certificate of Occupancy for the main hangar. Within five (5) years from the lease effective date, Lessee shall add an additional thirty (30) positions to bring the total FTE at the Crestview facility to one hundred fifty-seven (157), a fifty-five (55) position increase. A certified position roster shall be provided to the Airports Department and the Economic Development Council on January 1st of every year of the lease term through 2032.

3.2 The Lessee shall purchase a minimum of \$500,000 of aircraft fuel annually from the Bob Sikes Airport Fixed Base operator each year of the incentive period, beginning on the Lease Effective Date.

3.3 Failure to meet employment or minimum fuel purchase requirement will result in automatic removal of the incentive period from the agreement and the lease rate will immediately adjust to the current ground rent appraised rate.

SECTION FOUR

Effective Date & Lease Term

4.1 The Lessor and Lessee acknowledge and agree that it is their intent that the term of the Lease shall begin no later than thirty (30) months after the date of execution of this Agreement (“effective date”) and/or upon the issuance of a Certificate of Occupancy for the main hangar, whichever may occur first.

4.2 The lease term shall commence on the effective date as outlined in paragraph 4.1 above, and shall cover a period of twenty (20) years thereafter. This Lease may be renewed for four (4) additional five (5) year terms upon mutual written consent executed by both parties to this Lease. For any renewal, Lessee shall provide Lessor with a written lease renewal request no earlier than One Hundred Eighty (180) days and no later than One Hundred Twenty (120) days prior to the expiration of the Lease term then in effect.

SECTION FIVE

Rent/Incentive Period

5.1 The first ten (10) years of rent will be abated for 74,250 square feet of hangar/covered space and 43,053 square feet of parking/alley/ramp apron space (the “incentive period”).

5.2 Beginning with year eleven (11), hangar/covered space will be leased at an annual cost of seventy-eight cents (\$0.78) per square foot (\$57,915 annually) and parking/apron space will be leased at twenty cents (\$0.20) per square foot (\$8,610.60 annually), for a total of sixty-six thousand five hundred twenty-five dollars and sixty cents (\$66,525.60) for year eleven (11).

5.3 Rental rates for any option period will be adjusted to the appraised ground rate at that time. Lease rate and terms for any renewal of the Lease shall be by mutual agreement by the parties, which will be presented to the Okaloosa Board of County Commissioners for approval.

5.4 The Lessee shall pay to Lessor at the office of the Airports Director payable to Okaloosa County, Okaloosa County Airports, 1701 State Road 85 North, Suite 1, Eglin AFB, FL 32542-1498, or at such other place as may be designated by Lessor. The ground lease rent for the entire year shall be due and payable no later than October 1st of each year of the lease subsequent to the incentive period.

5.5 If Lessee fails to pay the ground lease rent within thirty (30) days of billing, Lessee shall then pay interest to the Lessor 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 ten (10) days after written notice has been given, Lessor shall have the option of terminating this Agreement.

5.6 In addition, Lessee shall pay any and all taxes, assessments, charges, recording and doc fees, costs and expenses that may be due as a result of this Lease, together with all interest and penalties

that may accrue thereon. In the event of the failure of Lessee to pay those items, and all other damages, costs, expenses, and sums that Lessor may suffer or incur, or that may become due, by reason of any default of the Lessee or failure by the Lessee to comply with the terms and conditions of this Lease shall be deemed to be additional rent, and in the event of non-payment, Lessor shall have all rights and remedies as herein provided for failure to pay rent.

SECTION SIX

Escalation

6.1 Beginning with Year Twelve (12), the lease rates shall be modified annually to reflect the change in the Consumer Price Index ("CPI") based on a twelve (12) month September through August average. 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 SEVEN

Representations by Lessor

7.1 At the commencement of the term Lessee shall accept the Crestview Facility and the fixtures and equipment included therein in their existing condition and state of repair, and Lessee agrees that no representations, statements, or warranties, expressed or implied, have been made by or on behalf of Lessor in respect therein except as contained in the provisions of this Lease, and Lessor shall in no event be liable for any latent defects within the Crestview Facility.

SECTION EIGHT

Utilities

8.1 The Lessee agrees to pay all charges for any and all utility services and costs including but not limited to tap fees, installations, maintenance, and repairs. Services may include potable or fire suppression water lines, oil/water separation, power, natural gas, sewage and garbage among others provided to the Crestview Facility.

SECTION NINE

Construction of Hangar and Facilities

9.1 For the construction agreed to under this Lease, Lessee must have all levels of the hangar design documents, construction and permit plan sets approved by Lessor prior to the start of any construction. A formal meeting should be scheduled with the airport to review the final plan set and discuss with Lessee the requirements to proceed with permitting and construction on airport property. Although the Lessor will show the leased space for hangar construction, the Lessee should ensure that the facility meets FAA criteria for facility construction (i.e. height, offset from taxiway line, etc. depending on what size aircraft intend to utilize the facility). The Airport will meet with the Lessee and/or the engineer of record prior to and during the design process to ensure all aspects of the facility

and working on the airport are included in the plans and permitting process. Hangar complex construction (Exhibit B) must be initiated within one (1) year and completed within thirty (30) months of execution of this Lease. Lessee shall furnish one (1) set of building drawings, final as-built survey of the hangar, any related access drives, and a certificate of occupancy to the Lessor upon completion of the development.

SECTION TEN

Improvements

10.1 All maintenance, repairs, and upkeep to the Crestview Facility and any item connected to the Crestview Facility are to be performed by the Lessee to include, but not limited to, all mechanical, all electrical, all plumbing, hangar door, associated equipment and hardware, routine and preventative maintenance, and any replacements.

10.2 All improvements or modifications must be coordinated and approved by the Airport. No exterior antennas or other appurtenances shall be installed or erected without Airport knowledge and approval and must not penetrate any Part 77 surfaces so as to create an airspace obstruction. Any and all improvements hereafter installed, erected, or placed within the Crestview Facility, including alterations and repairs shall become, upon the termination of this Lease for any cause, the absolute and sole property of the Lessor and shall not be removed from the Crestview Facility. Notwithstanding the foregoing, if on termination of this Lease, Lessee is not in default, Lessee shall have the right to remove from the Crestview Facility any equipment or trade fixtures, originally installed by the Lessee, that can be removed without damage to the Crestview Facility (and if any damage does occur on any such removal, Lessee shall promptly repair the same).

SECTION ELEVEN

Building, Alterations and Permits

11.1 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 the Lease. Lessor 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 the Airports Director. Contractors and subcontractors must obtain proper insurance requirements meeting County insurance limits and requirements and list Okaloosa County as additionally insured.

SECTION TWELVE

Mechanics' Liens

12.1 Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, expressed or implied, by inference or otherwise, to any contractor, subcontractor, 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 Leases Premises or any part thereof, nor as giving

Lessee any 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 Crestview Facility, including buildings.

SECTION THIRTEEN

Maintenance in Crestview Facility

13.1 Lessee shall ensure that all aircraft maintenance performed in the Crestview Facility is in accordance with the Federal Aviation Regulations (FARs) and not advertised to the public or in competition with FBO services.

SECTION FOURTEEN

Care of Crestview Facility

14.1 Lessee shall keep said hangar and other facilities on the premises neat, clean, and orderly at all times. Hangars located on Airport property shall be used for aeronautical purposes. Lessee is permitted to store non-aeronautical items in the hangar provided the items do not interfere with the aeronautical use of the hangar and or impede the movement or access of the aircraft or other aeronautical contents of the hangar. 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 Lessor's premises. The Lessee and all individuals associated with the Lessee are required to follow all current, future or amended Airport Rules and Regulations.

14.2 Lessee shall not store outside the hangar items of any nature or kind to include, but not limited to, trailers, recreational vehicles, passenger vehicles, oil drums, barrels, aircraft parts, junk, trash, scrap metal, and any item that would otherwise interfere with any activities that take place on an active airport.

SECTION FIFTEEN

Unlawful or Dangerous Activity

15.1 Lessee shall neither use nor occupy the Crestview Facility or any part thereof for any unlawful or hazardous business purpose nor operate or conduct its business in a manner constituting a nuisance of any kind. Lessee shall immediately, on discovery of any unlawful or hazardous use, cease such activity, and shall further immediately notify the Airports Director.

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

SECTION SIXTEEN
Solid and Hazardous Waste

16.1 A. If Lessee is deemed to be a generator of hazardous waste, as defined by Federal, State or local law, Lessee shall obtain an identification number from the U.S. Environmental Protection Agency ("EPA") and the appropriate generator permit and shall comply with all Federal, State and local laws and regulations promulgated there under, including, but not limited to, ensuring that the transportation, storage, handling and disposal of such hazardous wastes are conducted in full compliance with applicable law.

B. Lessee agrees to provide County within ten (10) days after the County requests copies of all hazardous waste permit application documentation, permits, monitoring reports, transportation, responses, storage and disposal plans and material safety data sheets prepared or issued in connection with Lessee's use of the Crestview Facility.

C. Hazardous Substances: The term "Hazardous Substance" means any substance:

1. The presence of which requires or may later require notification, investigation or remediation under any environmental law: or
2. That is or becomes defined as a "hazardous waste", "hazardous material", "hazardous substance", "pollutant" under any environmental law, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. '9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. '6901 et seq.) and the associated regulations; or
3. That is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous and is or becomes regulated by any governmental County, agency, department, commission, board, agency or instrumentality of the United States, or any political subdivision within any state; or
4. The presence of which on the Crestview Facility causes or threatens to cause a nuisance on the Crestview Facility or to adjacent properties or poses or threatens to pose a hazard to the Crestview Facility or to the health or safety of persons on or about the Crestview Facility: or
5. That contains gasoline, diesel fuel or other petroleum hydrocarbons or volatile organic compounds; or
6. That contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation; or
7. That contains or emits radioactive particles, including, without limitation, radon gas.

SECTION SEVENTEEN

Insurance

17.1 Lessee agrees to carry and maintain all policies outlined in Exhibit C at all times during the Term.

SECTION EIGHTEEN

Indemnification and Hold Harmless

18.1 To the fullest extent permitted by law and to the extent not covered by any applicable insurance policies, Lessee shall indemnify and hold harmless Lessor, its officers and employees from expenses, 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 arising out of either:

- a. A failure by Lessee to perform any of the terms and conditions of this Lease.
- b. Any injury or damage happening on or about the Lessor's property resulting from the Lessee's occupancy, operations, or use of the Crestview Facility.
- c. Failure to comply with any law of any governmental authority having jurisdiction,
- d. Any mechanics' lien or security interest filed against the Lessor's property or any equipment installed or caused to be install by Lessee at the Crestview Facility, or any materials used or caused to be used by Lessee on or at the Crestview Facility, or any work done or caused to be done by Lessee at the Crestview Facility for any purpose.

SECTION NINETEEN

Commercial Activity/Permitted Usage

19.1 Lessee covenants and agrees with Lessor that it will occupy the Property and use it for long term aircraft parking, dismantling and aircraft maintenance and modification work and related services; that it will not make or permit any unlawful use of the Property or maintain any use amounting to a public or private nuisance, and further at the expiration of the term of this Lease, or at an earlier time as permitted under the terms hereof, will quit and deliver up the Property in as good condition as now; ordinary wear, and damage by the elements excepted.

SECTION TWENTY

Non-Discrimination

20.1 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) the Lessee shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, 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, Lessor shall have the right to terminate the lease and to renter 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 TWENTY-ONE

Easements, Agreements, or Encumbrances

21.1 The parties shall be bound by all existing easements, agreements and encumbrances of record relating to the Crestview Facility and Lessor shall not be liable to Lessee for any damages resulting from any action taken by the holder of the interest pursuant to the rights of that holder thereunder.

SECTION TWENTY-TWO

Liability; Risk of Loss

22.1 Lessee shall be in exclusive control and possession of the Crestview Facility and Lessor shall not be liable for any injury or damages to any property or to any person on or about the Crestview Facility or any property of Lessee. Lessor has the right to inspect the Crestview Facility at any time upon reasonable notice. The provisions herein permitting Lessor to enter and inspect the Crestview Facility are made to ensure that Lessee is in compliance with the terms and conditions hereof and make repairs that Lessee has failed to make or are necessary as a consequence of a repair that was necessary that was outside the responsibility of Lessee. Lessor shall not be liable to Lessee for any entry on the Crestview Facility for inspection or necessary repair purposes.

22.2 Lessee assumes the risk of loss or damage to the contents only inside of the Crestview Facility, whether from windstorm, fire, earthquake, or any other cause whatsoever.

22.3 The damage, destruction, or partial destruction of any permanent building or other improvement which is part of the Crestview Facility shall not release Lessee from any obligations hereunder except that the portion of the Lease Term during which the Crestview Facility cannot be occupied shall have the rent abated and an equal extension of time shall be added to the Term. In case of damage to or destruction of any such building or improvement, the Lessor shall promptly collect all applicable insurance proceeds and repair or replace the Crestview Facility to a condition as good or better than that existed prior to the damage or destruction.

SECTION TWENTY-THREE
Rights of Lessor

23.1 It is understood and agreed that Lessor may, in connection with future development of the Airport, require the Crestview Facility for permanent buildings and/or other development. In such case, Lessor shall give written notice to Lessee. After thirty (30) days from said written notice, Lessor shall have the right at Lessor's expense, to remove said hangar and erect it, with its improvements, at a different location at the Airport as designated in writing by Lessor, provided that the new location is reasonable, feasible, and accessible to the taxiways and runways. Any and all rent otherwise due hereunder shall be abated during the period of time in which the Crestview Facility is unavailable for use by the Lessee and an equal extension of time shall be added to the Term.

23.2 Lessor 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 airspace, and for use of the airspace for landing on, taking off from, or operating on the Airport.

23.3 Lessee expressly agrees for itself, its successors, and assigns the right to prevent any use of the Crestview Facility, which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an airport hazard.

23.4 Lessee expressly agrees for itself, its successors, and assigns, the right to restrict the height of structures, objects, of natural growth, and other obstructions on the Crestview Facility to such height so as to comply with the Federal Aviation Regulations, Part 77.

SECTION TWENTY-FOUR
Waivers

24.1 The failure of Lessor or Lessee to insist on a strict performance of any of the terms and conditions hereof shall not be deemed a waiver of the rights or remedies such party may have to enforce performance of the terms and conditions of this Lease at any time.

SECTION TWENTY-FIVE
Notice

25.1 All notices to be given with respect to this Lease shall be in writing. Each notice shall be sent certified mail, postage prepaid and with return receipt requested, to the party to be notified at the address set forth below or at such other address as either party may from time to time designate in writing.

As to Lessor:

Airports Director
Okaloosa County Airports
1701 State Road 85 North, Suite 1
Eglin AFB, FL 32542-1498

As to Lessee:

Gulf Air Group, Inc.
Attn: Tim Rhyne
5486 Fairchild Road, Hangar 7
Crestview, Florida 32539

SECTION TWENTY-SIX Assignment or Sublease

26.1 All subsequent transfers and assignments of this Lease shall require the prior written approval of the Lessor and payment of Approval Fee of One Thousand and No/100 Dollars (\$1,000.00) or the current approval fee rate. At any time, if the lease is transferred or assigned, the rate will adjust to the current appraised rate and will be further adjusted annually in accordance with the escalation clause established in the lease. Lessee shall have thirty (30) days after the County's consent to assignment to exercise a right of transfer or assign. Otherwise, should the transfer or assignment not be approved, the One Thousand and No/100 Dollars (\$1,000.00) or the current approval fee rate shall be refunded.

26.2 Lessee shall not assign this Lease at any given time without prior written consent of Lessor.

26.3 Lessee shall not sublet or "loan" space or share the Crestview Facility in whole or in part for the entirety of this agreement without prior written consent of Lessor.

26.4 Lessee agrees that upon assignment of this Lease by Lessee, Lessor shall have the right to inspect the Crestview Facility and require that the hangar and property be repaired or restored to the condition that it existed upon execution hereof.

SECTION TWENTY-SEVEN Rights of Entry Reserved

27.1 Lessor has the right to inspect the Crestview Facility at any time upon reasonable notice.

SECTION TWENTY-EIGHT
Compliance with Governmental Procedures

28.1 Lessee shall comply with 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 Lessor. 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 TWENTY-NINE
Surrender of Possession

29.1 Lessee shall quietly and peaceably vacate the Crestview Facility and surrender possession to Lessor on or before the last day of the Lease Term, or on an earlier termination and forfeiture of the Lease, free of subtenancies, in good condition and repair. Lessee shall remove all property of every description in the Crestview Facility that is not the property of Lessor on or before 12:00 a.m. (mid-night) on the last day of the Lease.

SECTION THIRTY
Default or Breach

- 30.1 Each of the following events shall constitute a default or breach of this Lease by Lessee:
- a. If Lessee or any successor or assignee of Lessee while in possession shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise or shall make an assignment for the benefit of creditors.
 - b. If voluntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee or if a receiver or trustee shall be appointed of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated within Sixty (60) days after the institution or appointment.
 - c. If Lessee shall fail to pay Lessor any rent, or additional rent required hereunder when such becomes due and shall not make the payment within ten (10) days after written notice thereof by Lessor to Lessee.
 - d. If Lessee shall fail to perform or comply with any of the conditions of this Lease and if the nonperformance shall continue for a period of Fifteen (15) days after written notice thereof by Lessor to Lessee or, if the performance cannot be reasonably attained within the fifteen (15) day period, or Lessee has not in good faith commenced performance within the Fifteen (15) day period and has not diligently proceeded to completion of performance. Whether Lessee diligently proceeded shall be determined at the sole discretion of the Lessor but shall not be unreasonably concluded.

- e. If the Lessee fails to maintain in full force and affect the insurance coverage required in this Lease agreement or fails to name Lessor as an additional insured on such insurance policies.
- f. If the Lessee fails to respond to a written notice from the Lessor stating its belief that the Lessee vacated or abandoned the Crestview Facility within fifteen (15) days.
- g. If the Lease or the estate of Lessee hereunder shall be transferred to or shall pass to or devolve on any other person or party, unless the assignment or transfer is approved by the Lessor in the manner herein permitted.
- h. If the Lessee fails to take possession of the Crestview Facility on the Term commencement date or within ten days after notice that the Crestview Facility are available for occupancy, if the term commencement date is not fixed herein or shall be deferred as herein provided.

SECTION THIRTY-ONE

Effect of Default

31.1 In the event of any default hereunder, as set forth in this Lease agreement, the rights of Lessor shall be as follows:

- a. Lessor shall have the right to cancel and terminate this Lease, as well as all of the rights, title, and interest of Lessee hereunder, by giving to Lessee not less than Fifteen (15) days' notice of the cancellation and termination. On expiration of the time fixed in the notice, this Lease and the right, title, and interest of Lessee hereunder shall terminate in the same manner and with the same force and effect as if the date fixed in the notice of cancellation and termination were the end of the term.
- b. In the event that Lessee cancels or terminates this Lease prior to the end of the term, whether with cause or without, Lessee shall forfeit all right, title and interest of Lessee hereunder to the Facilities Construction, except for any and all contents titled to or belonging to Lessee, and Lessor shall accept Lessee's right, title and interest to the Facilities Construction as liquidated damages for Lessee's default hereunder.
- c. In the event that Lessee transfers its rights, title and interest to the Facilities Construction to any third party at any time during the first ten (10) years of term of this Lease, then Lessee's entitlement to rent abatement as outlined in Section 5.1 shall be forfeited and Lessor shall be entitled to charge and collect fair market rent for the Facilities Construction as outlined in Section 5.3.
- d. Lessor may elect, but shall not be obligated, to make any payment required of Lessee herein to third parties or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessor shall have the right to enter the Leased Premises for the purpose of correcting or remedying any such default and to remain in the Crestview Facility until the default has been corrected and remedied, but any expenditure for the correction by Lessor

shall not be deemed to waive or release the default of Lessee or the right of Lessor to take any action as may be otherwise permissible hereunder in the case of any default.

- e. Lessor may re-enter the Crestview Facility immediately and remove the property of Lessee, and store and dispose of the property in accordance with chapter 705, Florida Statutes.

SECTION THIRTY-TWO

Applicable Law and Venue

32.1 This Lease shall be governed by and construed in accordance with the laws of the State of Florida. Venue for any legal actions relating to this Lease shall be brought in the courts in and for Okaloosa County, Florida.

SECTION THIRTY-THREE

Federal Requirements

33.1 Lessee agrees to comply with all federal regulations, including, but not limited to those set forth in Exhibit D, attached hereto and incorporated herein.

SECTION THIRTY-FOUR

Public Records

34.1 Public Records

IF THE LICENSEE HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE LICENSEE'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT OKALOOSA COUNTY RISK MANAGEMENT DEPARTMENT, 302 NORTH WILSON STREET, SUITE 301, CRESTVIEW, FL 32536 PHONE: (850) 689-5977
riskinfo@myokaloosa.com

Lessee must comply with the public records laws, Florida Statute chapter 119, specifically Lessee must:

1. Keep and maintain public records required by the County to perform the service.
2. Upon request from the County's custodian of public records, provide the County with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119 Florida Statutes or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the

lease term and following completion of the lease if the Lessee does not transfer the records to the County.

4. Upon completion of the lease, transfer, at no cost, to the County all public records in possession of the Lessee or keep and maintain public records required by the County to perform the service. If the Lessee transfers all public records to the public agency upon completion of the lease, the Lessee shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Lessee keeps and maintains public records upon completion of the contract, the Lessee shall meet all applicable requirements for retaining the public records. All records stored electronically must be provided to the public agency, upon the request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

SECTION THIRTY-FIVE

Construction and Application of Terms

35.1 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 of 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.

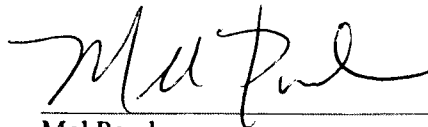
SECTION THIRTY-SIX

Entire Lease; Applicable to Successors

36.1 This Lease contains the entire agreement between the parties and cannot be changed except by written instruments subsequently executed by the parties hereto. This Lease and the terms and conditions hereof apply to and are binding on the heirs, legal representatives, successors, and assigns of both parties.

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

OKALOOSA COUNTY, FLORIDA

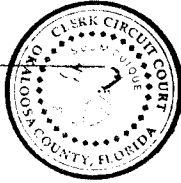


Mel Ponder
Chairman, Board of County Commissioners



ATTEST:

J. D. Peacock II
Clerk of Circuit Court



Lessee:

Tim Rhyne
Tim Rhyne
Gulf Air Group, Inc.

Date: 18 Aug 22

Michelle Stattery
WITNESS michelle Stattery

Daryl Parrish
WITNESS Daryl Parrish

ACKNOWLEDGEMENTS

STATE OF Florida
COUNTY OF Okaloosa

The foregoing instrument was acknowledged before me by means of physical presence by Tim Rhyne. (He/She) is personally known to me or has produced _____ as identification

Sworn and subscribed before me this 18 day of August, 2022

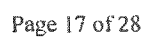
Cathy L. Weaver
NOTARY (Signature)

Cathy L. Weaver
NOTARY (Printed Name)

Commission Number: _____

Page 16 of 28





~~G.C.~~

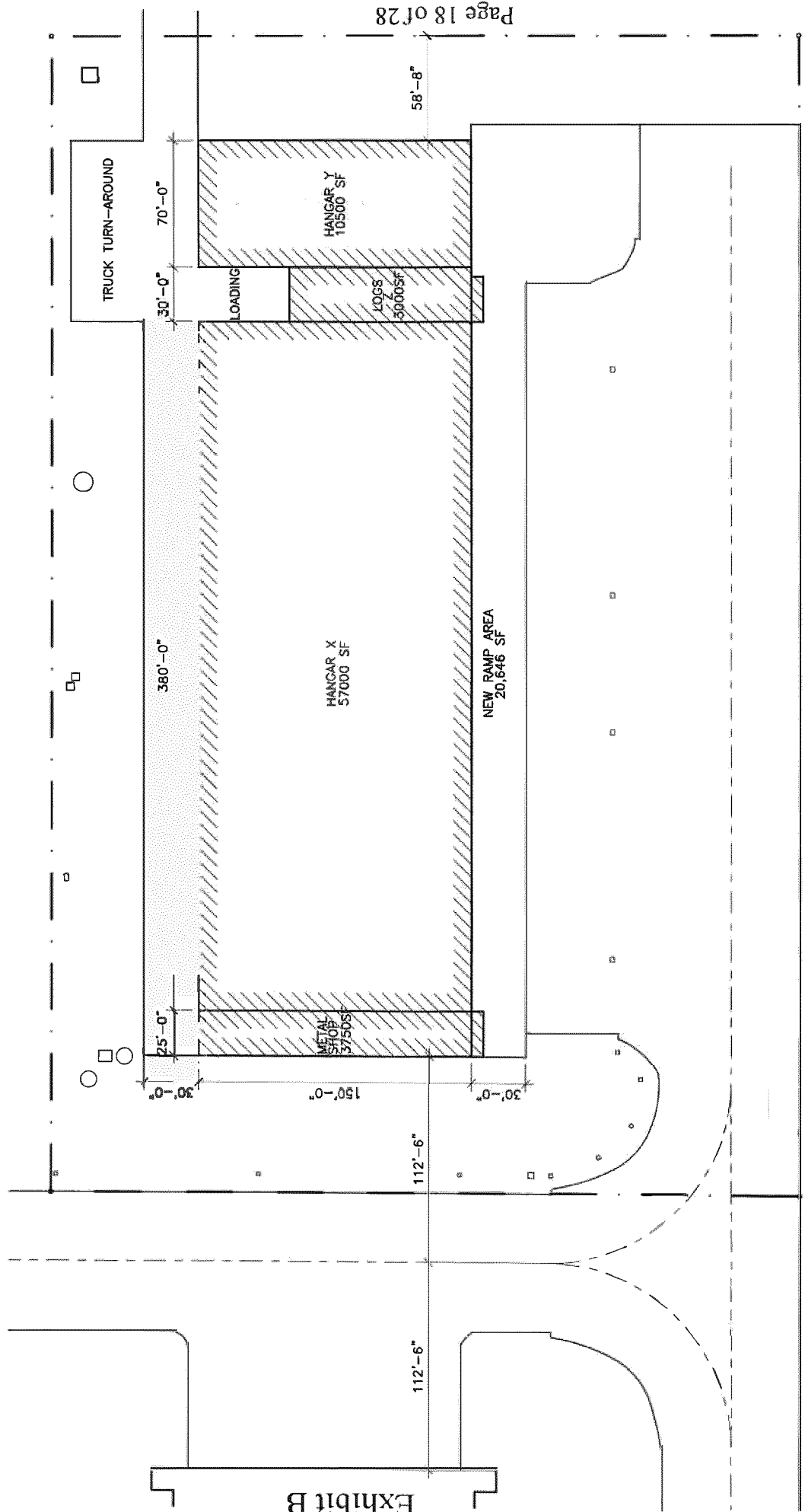
WILLIAMS, WILLIAM; 1940; 1941; 1942; 1943; 1944; 1945; 1946; 1947; 1948; 1949; 1950; 1951; 1952; 1953; 1954; 1955; 1956; 1957; 1958; 1959; 1960; 1961; 1962; 1963; 1964; 1965; 1966; 1967; 1968; 1969; 1970; 1971; 1972; 1973; 1974; 1975; 1976; 1977; 1978; 1979; 1980; 1981; 1982; 1983; 1984; 1985; 1986; 1987; 1988; 1989; 1990; 1991; 1992; 1993; 1994; 1995; 1996; 1997; 1998; 1999; 2000; 2001; 2002; 2003; 2004; 2005; 2006; 2007; 2008; 2009; 2010; 2011; 2012; 2013; 2014; 2015; 2016; 2017; 2018; 2019; 2020; 2021; 2022; 2023; 2024; 2025; 2026; 2027; 2028; 2029; 2030; 2031; 2032; 2033; 2034; 2035; 2036; 2037; 2038; 2039; 2040; 2041; 2042; 2043; 2044; 2045; 2046; 2047; 2048; 2049; 2050; 2051; 2052; 2053; 2054; 2055; 2056; 2057; 2058; 2059; 2060; 2061; 2062; 2063; 2064; 2065; 2066; 2067; 2068; 2069; 2070; 2071; 2072; 2073; 2074; 2075; 2076; 2077; 2078; 2079; 2080; 2081; 2082; 2083; 2084; 2085; 2086; 2087; 2088; 2089; 2090; 2091; 2092; 2093; 2094; 2095; 2096; 2097; 2098; 2099; 2100; 2101; 2102; 2103; 2104; 2105; 2106; 2107; 2108; 2109; 2110; 2111; 2112; 2113; 2114; 2115; 2116; 2117; 2118; 2119; 2120; 2121; 2122; 2123; 2124; 2125; 2126; 2127; 2128; 2129; 2130; 2131; 2132; 2133; 2134; 2135; 2136; 2137; 2138; 2139; 2140; 2141; 2142; 2143; 2144; 2145; 2146; 2147; 2148; 2149; 2150; 2151; 2152; 2153; 2154; 2155; 2156; 2157; 2158; 2159; 2160; 2161; 2162; 2163; 2164; 2165; 2166; 2167; 2168; 2169; 2170; 2171; 2172; 2173; 2174; 2175; 2176; 2177; 2178; 2179; 2180; 2181; 2182; 2183; 2184; 2185; 2186; 2187; 2188; 2189; 2190; 2191; 2192; 2193; 2194; 2195; 2196; 2197; 2198; 2199; 2200; 2201; 2202; 2203; 2204; 2205; 2206; 2207; 2208; 2209; 2210; 2211; 2212; 2213; 2214; 2215; 2216; 2217; 2218; 2219; 2220; 2221; 2222; 2223; 2224; 2225; 2226; 2227; 2228; 2229; 2230; 2231; 2232; 2233; 2234; 2235; 2236; 2237; 2238; 2239; 2240; 2241; 2242; 2243; 2244; 2245; 2246; 2247; 2248; 2249; 2250; 2251; 2252; 2253; 2254; 2255; 2256; 2257; 2258; 2259; 2260; 2261; 2262; 2263; 2264; 2265; 2266; 2267; 2268; 2269; 2270; 2271; 2272; 2273; 2274; 2275; 2276; 2277; 2278; 2279; 2280; 2281; 2282; 2283; 2284; 2285; 2286; 2287; 2288; 2289; 2290; 2291; 2292; 2293; 2294; 2295; 2296; 2297; 2298; 2299; 2300; 2301; 2302; 2303; 2304; 2305; 2306; 2307; 2308; 2309; 2310; 2311; 2312; 2313; 2314; 2315; 2316; 2317; 2318; 2319; 2320; 2321; 2322; 2323; 2324; 2325; 2326; 2327; 2328; 2329; 2330; 2331; 2332; 2333; 2334; 2335; 2336; 2337; 2338; 2339; 2340; 2341; 2342; 2343; 2344; 2345; 2346; 2347; 2348; 2349; 2350; 2351; 2352; 2353; 2354; 2355; 2356; 2357; 2358; 2359; 2360; 2361; 2362; 2363; 2364; 2365; 2366; 2367; 2368; 2369; 2370; 2371; 2372; 2373; 2374; 2375; 2376; 2377; 2378; 2379; 2380; 2381; 2382; 2383; 2384; 2385; 2386; 2387; 2388; 2389; 2390; 2391; 2392; 2393; 2394; 2395; 2396; 2397; 2398; 2399; 2400; 2401; 2402; 2403; 2404; 2405; 2406; 2407; 2408; 2409; 2410; 2411; 2412; 2413; 2414; 2415; 2416; 2417; 2418; 2419; 2420; 2421; 2422; 2423; 2424; 2425; 2426; 2427; 2428; 2429; 2430; 2431; 2432; 2433; 2434; 2435; 2436; 2437; 2438; 2439; 2440; 2441; 2442; 2443; 2444; 2445; 2446; 2447; 2448; 2449; 2450; 2451; 2452; 2453; 2454; 2455; 2456; 2457; 2458; 2459; 2460; 2461; 2462; 2463; 2464; 2465; 2466; 2467; 2468; 2469; 2470; 2471; 2472; 2473; 2474; 2475; 2476; 2477; 2478; 2479; 2480; 2481; 2482; 2483; 2484; 2485; 2486; 2487; 2488; 2489; 2490; 2491; 2492; 2493; 2494; 2495; 2496; 2497; 2498; 2499; 2500; 2501; 2502; 2503; 2504; 2505; 2506; 2507; 2508; 2509; 2510; 2511; 2512; 2513; 2514; 2515; 2516; 2517; 2518; 2519; 2520; 2521; 2522; 2523; 2524; 2525; 2526; 2527; 2528; 2529; 2530; 2531; 2532; 2533; 2534; 2535; 2536; 2537; 2538; 2539; 2540; 2541; 2542; 2543; 2544; 2545; 2546; 2547; 2548; 2549; 2550; 2551; 2552; 2553; 2554; 2555; 2556; 2557; 2558; 2559; 2560; 2561; 2562; 2563; 2564; 2565; 2566; 2567; 2568; 2569; 2570; 2571; 2572; 2573; 2574; 2575; 2576; 2577; 2578; 2579; 2580; 2581; 2582; 2583; 2584; 2585; 2586; 2587; 2588; 2589; 2590; 2591; 2592; 2593; 2594; 2595; 2596; 2597; 2598; 2599; 2600; 2601; 2602; 2603; 2604; 2605; 2606; 2607; 2608; 2609; 2610; 2611; 2612; 2613; 2614; 2615; 2616; 2617; 2618; 2619; 2620;

1/1/2022

A PORTION OF FAIRCHILD ROAD
BOB SIKES AIRPORT
SECTION 19, TOWNSHIP 3 NORTH, RANGE
23 WEST, CHALDOSEA COUNTY, FLORIDA

190658.00	MAP	1906558	SHEET	DATE: 12/17/2011	TIME: 11:24	FILE: 190658.00
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Exhibit B



1" = 50'
03.31.22

Exhibit C
Insurance Requirements

GENERAL SERVICES INSURANCE REQUIREMENTS FOR HANGER LEASES

INSURANCE REQUIREMENTS

1. The Lessee shall not occupy said premises until all required insurance has been obtained and the certificate of insurance has been approved by the Okaloosa County Risk Manager or designee.
2. All insurance policies shall be with insurers authorized to do business in the State of Florida and having a minimum rating of A, Class X according to the Best Key Rating Guide published by A.M. Best & Co. Inc.
3. All insurance shall include the interest of all entities named and their respective officials, employees & volunteers of each and all other interests as may be reasonably required by Okaloosa County. The coverage afforded the Additional Insured under this policy shall be primary insurance. If the Additional Insured have other insurance that is applicable to the loss, such other insurance shall be on an excess or contingent basis. The amount of the company's liability under this policy shall not be reduced by the existence of such other insurance.
4. Okaloosa County Board of County Commissioners shall be listed as an Additional Insured by policy endorsement on all policies applicable to this agreement except Worker's Compensation. A waiver of subrogation is required on all policies.
5. The County shall retain the right to reject all insurance policies that do not meet the requirement of this Agreement. Further, the County reserves the right to change these insurance requirements with 60-day's prior written notice to the Lessee.
6. The County reserves the right at any time to require the Lessee to provide certified copies of any insurance policies to document the insurance coverage specified in this Agreement.

WORKERS' COMPENSATION INSURANCE

1. If applicable: The Lessee shall secure and maintain during the life of this Lease Workers' Compensation insurance for all of his employees employed at the site or any site connected with this lease; evidence of insurance shall be furnished to the County
2. Such insurance shall comply with the Florida Workers' Compensation Law.
3. No class of employee, shall be excluded from the Workers' Compensation insurance coverage. The Workers' Compensation insurance shall also include Employer's Liability coverage.
4. A Waiver of Subrogation is required to be shown on the Certificate of Insurance.

5. If contractor is exempt, proof of the exemption from the State is required. Any subcontractors used must show proof of Workers Compensation with the waiver of subrogation in favor of Okaloosa County. Note: Okaloosa County reserves the right to require Workers Compensation coverage on all contracts

GENERAL LIABILITY INSURANCE

1. The Lessee shall carry Aircraft Liability and General Liability insurance against all claims for Bodily Injury and Property Damage with respect to the Crestview Facility.
2. All liability insurance (other than Professional Liability) shall be written on an occurrence basis and shall not be written on a claims-made basis. If the insurance is issued with an aggregate limit of liability, the aggregate limit of liability shall apply only to the locations included in this Agreement. If, as the result of any claims or other reasons, the available limits of insurance reduce to less than those stated in the Limits of Liability, the Lessee shall notify the County representative in writing. The Lessee shall purchase additional liability insurance to maintain the requirements established in this Agreement. Umbrella or Excess Liability insurance can be purchased to meet the Limits of Liability specified in this Agreement. Excess liability insurance must state which policy it applies to.

PROPERTY INSURANCE

1. The damage, destruction, or partial destruction of any permanent building or other improvement which is part of the Crestview Facility shall not release Lessee from any obligations hereunder nor shall it cause a rebate or an abatement in rent then due or thereafter becoming due under the terms hereof. In case of damage to or destruction of any such building or improvement, Lessee shall at its own expense, promptly repair and restore the property to a condition as good or better than that existed prior to the damage or destruction.
2. For purposes of assuring compliance with the foregoing, Lessee agrees to maintain property insurance on any permanent building or improvement constructed on the Crestview Facility in an amount not less than full replacement value of such building and its improvements and agrees that the proceeds from such insurance shall be used promptly by Lessee to satisfy Lessee's repair and replacement obligation under this paragraph.
3. Okaloosa County Board of County Commissioners shall be listed as a loss payee on all property insurance policies.
4. The Lease/Contract # must be referenced on the Certificate of Insurance.

INSURANCE LIMITS OF LIABILITY

The insurance required shall be written for not less than the following, or greater if required by law and shall include Employer's liability with limits as prescribed in this contract:

INSURANCE TYPE	LIMIT
Workers' Compensation	
1.) State	Statutory
2.) Employer's Liability	\$100,000 each accident
General Liability	\$1,000,000 each occurrence (A combined single limit)
Aircraft Liability	\$1,000,000 each occurrence (A combined single limit)
Property (Hangar)	Full replacement value of Hangar

NOTICE OF CLAIMS OR LITIGATION

The Lessee agrees to report any incident or claim that results from performance of this Agreement. The County representative shall receive written notice in the form of a detailed written report describing the incident or claim within ten (10) days of the Lessee's knowledge. In the event such incident or claim involves injury and/or property damage to a third party, verbal notification shall be given the same day the Lessee becomes aware of the incident or claim followed by a written detailed report within ten (10) days of verbal notification.

INDEMNIFICATION & HOLD HARMLESS

Lessee shall indemnify and hold harmless the 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 wrongful conduct of the Lessee.

CERTIFICATE OF INSURANCE

1. Certificates of insurance evidencing all required coverage must be submitted to and approved by Okaloosa County. The certificate holder(s) shall be as follows:

Okaloosa County Board of County Commissioners
5479A Old Bethel Road
Crestview FL 32536

2. The lessee shall provide a Certificate of Insurance to the County with a thirty (30) day prior written notice of cancellation; ten (10) days' prior written notice if cancellation is for non-payment of premium.
3. In the event that the insurer is unable to accommodate the cancellation notice requirement, it shall be the responsibility of the lessee to provide the proper notice. Such notification shall be in writing by registered mail, return receipt requested, and addressed to:

Okaloosa County Purchasing Department
5479A Old Bethel Road
Crestview FL 32536

4. All deductibles or self-insured retentions (SIRs), whether approved by Okaloosa County or not, shall be the Lessee's full responsibility. In particular, the Lessee shall afford full coverage as specified herein to entities listed as Additional Insured. In no way will the entities listed as Additional Insured be responsible for, pay for, be damaged by, or limited to coverage required by this schedule due to the existence of a deductible or SIR.

5. All certificates shall be subject to Okaloosa County's approval of adequacy of protection. The Certificates of Insurance shall disclose any and all deductibles or self-insured retentions (SIRs).

GENERAL TERMS

Any type of insurance or increase of limits of liability not described above which, the Lessee required for its own protection or on account of statute shall be its own responsibility and at its own expense.

The carrying of the insurance described shall in no way be interpreted as relieving the Lessee of any responsibility under this lease.

Should the Lessee engage a subcontractor or sub-subcontractor, the same conditions will apply under this Agreement to each subcontractor and sub-subcontractor.

The Lessee hereby waives all rights of subrogation against Okaloosa County and its consultants and other indemnities of the Lessee under all the foregoing policies of insurance.

UMBRELLA INSURANCE

The Lessee shall have the right to meet the liability insurance requirements with the purchase of an umbrella insurance policy. In all instances, the combination of primary and umbrella liability coverage must equal or exceed the minimum liability insurance limits stated in this Agreement.

Exhibit D

Federal Requirements

General Civil Rights Provisions

The lessee and its transferee agree 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.

This provision obligates the lessee or its transferee for the period during which Federal assistance is extended to the airport through the Airport Improvement Program.

In cases where Federal assistance provides, or is in the form of personal property; real property or interest therein; structures or improvements thereon, this provision obligates the party or any transferee for the longer of the following periods:

- (a) The period during which the property is used by the airport sponsor or any transferee for a purpose for which Federal assistance is extended, or for another purpose involving the provision of similar services or benefits; or
- (b) The period during which the airport sponsor or any transferee retains ownership or possession of the property.

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Okaloosa County pursuant to the provisions of the Airport Improvement Program grant assurances.

A. The Lessee, for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground 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, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the lessee will use the premises in compliance with all other requirements imposed by or pursuant to the List of discrimination Acts And Authorities.

B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above nondiscrimination covenants, Okaloosa County will have the right to terminate the lease, and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said lease had never been made or issued if any such violation or alleged violation is not cured within ten (10) days after Lessee receives written notice thereof.

C. With respect to deeds, in the event of breach of any of the above nondiscrimination covenants, Lessee will there upon revert to and vest in and become the absolute property of Lessee and its assigns. *

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the “lessee”) agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 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 U.S.C. § 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 U.S.C. § 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 U.S.C. § 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 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
- The Federal Aviation Administration’s Non-discrimination statute (49 U.S.C. § 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 non-discrimination 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);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

FEDERAL FAIR LABOR STANDARDS ACT (FEDERAL MINIMUM WAGE)

All leases and subleases that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The lessee has full responsibility to monitor compliance to the referenced statute or regulation. The lessee must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

OCCUPATIONAL SAFETY AND HEALTH ACT OF 1970

All leases and subleases that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Lessee must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Lessee retains full responsibility to monitor its compliance and their subleases compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Lessee must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

E-VERIFY

Enrollment and verification requirements.

- (1) If the Lessee is not enrolled as a Federal Contractor in E-Verify at time of contract award, the Lessee shall-
 - a. Enroll. Enroll as a Federal Contractor in the E-Verify Program within thirty (30) calendar days of contract award;
 - b. Verify all new employees. Within ninety (90) calendar days of enrollment in the E-Verify program, begin to use E-Verify to initiate verification of employment eligibility of all new hires of the Lessee, who are working in the United States, whether or not assigned to the contract, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); and,

- c. Verify employees assigned to the lease. For each employee assigned to the lease, initiate verification within ninety (90) calendar days after date of enrollment or within thirty (30) calendar days of the employee's assignment to the lease, whichever date is later (but see paragraph (b)(4) of this section.)
- (2) If the Lessee is enrolled as a Federal Contractor in E-Verify at time of lease award, the Lessee shall use E-Verify to initiate verification of employment eligibility of
 - a. All new employees.
 - i. Enrolled ninety (90) calendar days or more. The Lessee shall initiate verification of all new hires of the Lessee, who are working in the United States, whether or not assigned to the lease, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section); or
 - b. Enrolled less than ninety (90) calendar days. Within ninety (90) calendar days after enrollment as a Federal Contractor in E-Verify, the Lessee shall initiate verification of all new hires of the lessee, who are working in the United States, whether or not assigned to the lease, within three (3) business days after the date of hire (but see paragraph (b)(3) of this section; or
 - ii. Employees assigned to the lease. For each employee assigned to the lease, the Lessee shall initiate verification within ninety (90) calendar days after date of lease award or within thirty (30) days after assignment to the lease, whichever date is later (but see paragraph (b)(4) of this section.)
- (3) If the Lessee is an institution of higher education (as defined at 20 U.S.C. 1001(a)); a State of local government or the government of a Federally recognized Indian tribe, or a surety performing under a takeover agreement entered into with a Federal agency pursuant to a performance bond, the Lessee may choose to verify only employees assigned to the lease, whether existing employees or new hires. The Lessee shall follow the applicable verification requirements of (b)(1) or (b)(2), respectively, except that any requirement for verification of new employees applies only to new employees assigned to the lease.
- (4) Option to verify employment eligibility of all employees. The Lessee may elect to verify all existing employees hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), rather than just those employees assigned to the lease. The Lessee shall initiate verification for each existing employee working in the United States who was hired after November 6, 1986 (after November 27, 2009, in the Commonwealth of the Northern Mariana Islands), within one hundred eighty (180) calendar days of-
 - i. Enrollment in the E-Verify program; or

- ii. Notification to E-Verify Operations of the Lessee's decision to exercise this option, using the lease information provided in the E-Verify program Memorandum of Understanding (MOU)
- (5) The Lessee shall comply, for the period of performance of this lease, with the requirements of the E-Verify program MOU.

i. The Department of Homeland Security (DHS) or the Social Security Administration (SSA) may terminate the Lessee's MOU and deny access to the E-Verify system in accordance with the terms of the MOU. In such case, the Lessee, will be referred to a suspension or debarment official.

ii. During the period between termination of the MOU and a decision by the suspension or debarment official whether to suspend or debar, the lessee is excused from its obligations under paragraph (b) of this clause. If the suspension or debarment official determines not to suspend or debar the Lessee, then the Lessee must reenroll in E-Verify.

iii. Web site. Information on registration for and use of the E-Verify program can be obtained via the Internet at the Department of Homeland Security Web site: <http://www.dhs.gov/E-Verify>.

Individuals previously verified. The Lessee is not required by this clause to perform additional employment verification using E-Verify for any employee-

- (a) Whose employment eligibility was previously verified by the Lessee through the E-Verify program;
- (b) Who has been granted and holds an active U.S. Government security clearance for access to confidential, secret, or top secret information in accordance with the National Industrial Security Program Operating Manual; or
- (c) Who has undergone a completed background investigation and been issued credentials pursuant to Homeland Security Presidential Directive (HSPD)-12. Policy for a Common Identification Standard for Federal Employees and Lessees.

Subleases. The Lessee shall include the requirements of this clause, including this paragraph € (appropriately modified for identification of the parties in each sublease that-

- (1) Is for-(i) Commercial and noncommercial services (except for commercial services that are part of the purchase of a COTS item (or an item that would be a COTS item, but for minor modifications), performed by the COTS provider, and are normally provided for that COTS item); or (ii) Construction;
- (2) Has a value of more than \$3,500; and
- (3) Includes work performed in the United States.