

## CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 11/04/2020

Contract/Lease Control #: L20-0485-AP

Procurement#: NA

Contract/Lease Type: LEASE

Award To/Lessee: AIRCRAFT OPERATORS, INC.

Owner/Lessor: OKALOOSA COUNTY

Effective Date: 11/03/2020

Expiration Date: 10/01/2048

Description of: BLOCK 11 LOT 2

Department: AP

Department Monitor: STAGE

Monitor's Telephone #: 850-651-7160

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

Closed:

Cc: BCC RECORDS



**Certificate of Insurance**  
QBE The Americas

This is to certify to  
(Certificate Holder):

**Okaloosa County BOCC**  
**302 N Wilson Street, Suite 301**  
**Crestview, FL 32536**

**CONTRACT#: L20-0485-AP**  
**AIRCRAFT OPERATORS, INC.**  
**BLOCK 11 LOT 12**  
**EXPIRES: 10/01/2048**

The following policy(ies)  
have been issued to:

**Aircraft Operators, Inc.**  
**30 Rudnick Lane**  
**Dover, DE 19901-4912**

**POLICY INFORMATION**

Aircraft Policy No. 100000193  
 Policy Period: This Coverage Is Effective 12:01 A.M. From: August 18, 2021 To: August 18, 2022  
 Policy Territory: Worldwide  
 Insurance Company: QBE Insurance Corporation

**LIABILITY COVERAGES** **Limits of Liability**

	Each Person	Each Occurrence
Bodily Injury	\$	\$
Property Damage	\$	\$
Passenger Bodily Injury	\$	\$
X Single Limit Including Pass.	\$	\$ 5,000,000
Passenger Liability Limited to:	\$	\$

**Description of Aircraft** **Physical Damage Coverage:** **All Risks Ground and In-Flight**

FAA Number	Year	Make & Model	Insured Value	Deductibles (NIM/IM)
N20CC	1998	Cessna 560	\$1,800,000	\$ 15,000/ \$ 15,000
*N642WA	1979	Piper Chieftain	\$475,000	\$ 15,000/ \$ 15,000

**THE CERTIFICATE HOLDER IS:**

	Included as Loss Payee for Aircraft Physical Damage Coverage.
	Breach of Warranty Coverage on Aircraft Physical Damage as their interest may appear not to exceed 100% of the Insured value
X	Included as an Additional Insured on Aircraft Liability Coverage but only with respects to the operations of the Named Insured.
	Provided a waiver of subrogation on aircraft physical damage coverage but only with respects to the operations of the named insured.

**OTHER COVERAGES / CONDITIONS / REMARKS:**

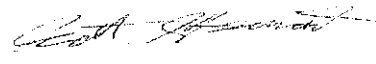
X	This coverage includes War Physical Damage Coverage and TRIA
X	This coverage includes War Liability Coverage and TRIA

**REMARKS:**

\*N642WA Liability Limits: \$1,000,000

The Aviation Managers have made provision to give the certificate holder 30 days (10days for non-pay) notice of cancellation of any policy above, however, the Aviation Managers assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy(ies) specified above.

Date of Issue: 08/11/21

By: 

(Authorized Representative)  
**Scott Stewart**  
 QBE North America  
 210 Interstate N. Parkway S.E.  
 Suite 500  
 Atlanta, GA 30339

**Hangar Lease Agreement**  
**With Aircraft Operators, Inc. (L20-0485-AP)**  
**At the Destin Executive Airport (DTS)**

This hangar lease agreement is executed and entered into on the dates set forth below, effective at midnight on the day after Lease L03-0213-AP at the Destin Executive Airport is terminated (the "Effective Date"), 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 Aircraft Operators, Inc, hereinafter referred to as "Lessee", whose principal address is 9300 Emerald Coast Parkway W, Miramar Beach, FL 32550

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

**SECTION ONE**  
**Leased Premises**

1.1 Effective at 11:59 P.M. on the day Lease L03-0213-AP at the Destin Executive Airport (DTS) is terminated, Lessor will take sole possession of the real property commonly referred to as Block 10 and Block 11 at DTS and the hangars located thereon. Lessor hereby leases that certain real property and improvements at DTS, as indicated in the attached and incorporated Exhibit A, located at BLOCK 11 LOT 2, also known as Hangar 13-103 ("Leased Premises"), to Lessee for the following purposes:

- a. Hangar Space, to occupy and maintain one (1) or more individually-owned/corporate-owned airplane(s) at the Leased Premises. Lessee shall provide written confirmation to the Lessor of proof of ownership of airplane. If the airplane is in a company's name and not under the Lessee's name, proof of partial or full ownership in the company which owns the airplane must be provided to the Lessor.
- b. In the event the Lessee's only airplane is sold, damaged, destroyed, or permanently removed for any reason, Lessee shall have one (1) year to replace the airplane, otherwise this lease shall be voided at the Lessor's discretion.
- c. Additional airplanes may be stored in the hangar temporarily with proper notice to Lessor provided that proof of required insurance coverage is provided to Lessor prior to the additional airplane being stores in the hangar.
- d. No other use is authorized for any portion of the Leased Premises. For the avoidance of doubt, the use of the Leased Premises consistent with Section 11.1 below shall not be considered an unauthorized use.

1.2 The Lessee shall enjoy use of the airport facilities, i.e., runway, taxiway, etc. as the Destin Executive Airport is a Public Use Airport.

**SECTION TWO**  
**Lease Term**

2.1 The term of this Lease shall begin as of the Effective Date and the expiration date of this lease will be October 1, 2048 (the "Term"). This Lease does not have any additional renewal options.

### **SECTION THREE**

#### **Rent**

3.1 A hangar lease fee of Two and No/100 Dollars (\$2.00) per square foot per year is established for the land and hangar, as depicted on Exhibit A. 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 hangar lease fee for the entire year shall be due and payable in advance on October 1<sup>st</sup> of each lease year. The Lease includes Seven Thousand Two Hundred (7,200) square feet at Two and No/100 Dollars (\$2.00) per square foot per year for a total annual cost of Fourteen Thousand Four Hundred and No/100 Dollars (\$14,400.00), plus tax.

3.2 If Lessee fails to pay the hangar 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.

3.3 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 FOUR**

#### **Escalation**

4.1 The hangar lease 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 FIVE**

#### **Representations by Lessor**

5.1 At the commencement of the term Lessee shall accept the Leased Premises 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 Leased Premises.

**SECTION SIX**  
**Utilities**

6.1 The Lessee agrees to pay all charges for utility services and costs of tap fees, installations, including water, oil/water separation, heat, light, power, sewage and garbage provided to the Leased Premises.

**SECTION SEVEN**  
**Improvements**

7.1 Lessor agrees to complete a full roof sealcoat by 2030 and a roof replacement by 2040 at the Lessor's sole cost and expense.

7.2 All other maintenance, repairs, and upkeep to the Leased Premises and any item connected to the hangar 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.

7.3 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 the Lessor and shall not be removed from the Leased Premises. Notwithstanding the foregoing, 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, originally installed by the Lessee, 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 EIGHT**  
**Building, Alterations and Permits**

8.1 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 County.

**SECTION NINE**  
**Mechanics' Liens**

9.1 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 Leased Premises, including buildings.

**SECTION TEN**  
**Maintenance in Leased Premises**

10.1 Lessee shall insure that all aircraft maintenance performed in the Leased Premises is in accordance with the Federal Aviation Regulations (FARs).

**SECTION ELEVEN**  
**Care of Leased Premises**

11.1 Lessee shall keep said hangar and 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. No items, of any nature or kind, are to be stored outside or in the vicinity of the hangar. The Lessee and all individuals associated with the Lessee's business are required to follow all current, future or amended Airport Rules and Regulations.

11.2 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 TWELVE**  
**Unlawful or Dangerous Activity**

12.1 Lessee shall neither use nor occupy the Leased Premises 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, take action to halt such activity, and shall further immediately notify the Airports Director.

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

**SECTION THIRTEEN**  
**Solid and Hazardous Waste**

13.1 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 ("AEPA") 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 Leased Premises.

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 Leased Premises causes or threatens to cause a nuisance on the Leased Premises or to adjacent properties or poses or threatens to pose a hazard to the Leased Premises or to the health or safety of persons on or about the Leased Premises; 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 FOURTEEN**

### **Insurance**

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

14.2 Lessor agrees to maintain Property (Hangar) Insurance on the Leased Premises at all times during the Term for the full replacement value of the Leased Premises at the Lessor's sole cost and expense. Lessee is responsible for insuring all hangar contents, personal property and aircraft at all times during the Term.

**SECTION FIFTEEN**  
**Indemnification and Hold Harmless**

15.1 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 Leased Premises.
- 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 Leased Premises, or any materials used or caused to be used by Lessee on or at the Leased Premises, or any work done or caused to be done by Lessee at the Leased Premises for any purpose.

**SECTION SIXTEEN**  
**Commercial Activity**

16.1 No commercial activity of any nature or kind is allowed on the Leased Premises. For the avoidance of doubt, the use of Lessee's aircraft in the business of Lessee and its affiliates, if any, shall not constitute commercial activity.

**SECTION SEVENTEEN**  
**Non-Discrimination**

17.1 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 Leased 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 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 EIGHTEEN**  
**Easements, Agreements, or Encumbrances**

18.1 The parties shall be bound by all existing easements, agreements and encumbrances of record relating to the Leased Premises 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 NINETEEN**  
**Liability; Risk of Loss**

19.1 Lessee shall be in exclusive control and possession of the Leased Premises and Lessor shall not be liable for any injury or damages to any property or to any person on or about the Leased Premises or any property of Lessee. Lessor has the right to inspect the Leased Premises at any time upon reasonable notice. The provisions herein permitting Lessor to enter and inspect the Leased Premises 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 Leased Premises for inspection or necessary repair purposes.

19.2 Lessee assumes the risk of loss or damage to the contents only inside of the Leased Premises, whether from windstorm, fire, earthquake, or any other cause whatsoever.

19.3 The damage, destruction, or partial destruction of any permanent building or other improvement which is part of the Leased Premises shall not release Lessee from any obligations hereunder except that the portion of the Lease Term during which the Leased Premises 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 Leased Premises to a condition as good or better than that existed prior to the damage or destruction.

**SECTION TWENTY**  
**Rights of Lessor**

20.1 It is understood and agreed that Lessor may, in connection with future development of the Airport, require the Leased Premises 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 Leased Premises is unavailable for use by the Lessee and an equal extension of time shall be added to the Term.

20.2 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.

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

20.4 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 Leased Premises to such height so as to comply with the Federal Aviation Regulations, Part 77.

**SECTION TWENTY-ONE**  
**Waivers**

21.1 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-TWO**  
**Notice**

22.1 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:

Aircraft Operators, Inc  
Tom Becnel  
9300 Highway 98 East  
Miramar Beach, FL 32550

**SECTION TWENTY-THREE**  
**Assignment or Sublease**

23.1 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. During the entire term of the Lease the hangar lease rent fee will transfer at the same rate as the current Lessee at the time of the assignment and continue to be adjusted

annually in accordance with the escalation clause established in this 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.

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

23.3 Lessee shall not sublet or "loan" space or share the Leased Premises in whole or in part for the entirety of this agreement.

23.4 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 TWENTY-FOUR Hangar Inspections**

24.1 Lessor will conduct an annual hangar inspection each year through the expiration of this agreement. Lessee is expected to be available or have the hangar available for the County representative to inspect the hangar and Leased Premises to ensure that everything is in full compliance with this lease agreement.

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

#### **SECTION TWENTY-FIVE**

25.1 This section is intentionally left blank.

#### **SECTION TWENTY-SIX Compliance with Governmental Procedures**

26.1 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-SEVEN Surrender of Possession**

27.1 Lessee shall quietly and peaceably vacate the Leased Premises 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 Leased Premises that is not the property of Lessor on or before 12:00 a.m. (midnight) on the last day of the Lease.

**SECTION TWENTY-EIGHT**  
**Default or Breach**

- 28.1 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 Leased Premises 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 Leased Premises on the Term commencement date or within ten days after notice that the Leased Premises are available for occupancy, if the term commencement date is not fixed herein or shall be deferred as herein provided.

**SECTION TWENTY-NINE**  
**Effect of Default**

29.1 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, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the Term.
- b. 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 Leased Premises 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.
- c. Lessor may re-enter the Leased Premises immediately and remove the property of Lessee, and store and dispose of the property in accordance with chapter 705, Florida Statutes.
- d. Lessor shall have any other remedy available by law.

**SECTION THIRTY**  
**Applicable Law and Venue**

30.1 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-ONE**  
**Federal Requirements**

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

**SECTION THIRTY-TWO**  
**Public Records**

32.1 Lessee agrees to comply with Florida's Public Record laws, including, but not limited to those set forth in Exhibit C, attached hereto and incorporated herein.

**SECTION THIRTY-THREE**  
**Construction and Application of Terms**

33.1. 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-FOUR**  
**Entire Lease; Applicable to Successors**

34.1 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.

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

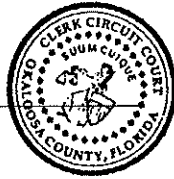
OKALOOSA COUNTY, FLORIDA



Robert A. "Trey" Goodwin III  
Chairman, Board of County Commissioners

ATTEST:

J. D. Peacock II  
Clerk of Circuit Court



Lessee:

Thomas Becnel  
Aircraft Operators, Inc  
Tom Becnel

Date: 9/25/2020

Kristin Cloud  
WITNESS

Gene R. Suber  
WITNESS

**ACKNOWLEDGEMENTS**

STATE OF Florida  
COUNTY OF WALTON

The foregoing instrument was acknowledged before me by means of  physical presence or  online notarization, this September 25<sup>th</sup>, 2020 by TOM BECNEL. He/She is personally known to me or has produced \_\_\_\_\_ as identification

Sworn and subscribed before me this 25<sup>th</sup> day of September, 2020



Kristin Cloud  
NOTARY (Signature)

Kristin Cloud  
NOTARY (Printed Name)

Commission Number: GG 297584



**Exhibit A**  
**Leased Premises**



**Exhibit "B"**  
**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
    - ii. 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
    - iii. 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.

**Exhibit C**  
**Public Records**

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](mailto: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.

**Exhibit D**  
**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. Beat & 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 Leased premises.
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 Leased Premises 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 Leased Premises 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 shall be listed as a loss payee on all property insurance policies.

#### **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:

<u>INSURANCE TYPE</u>	<u>LIMIT</u>
1. Workers' Compensation	Statutory
1.) State	\$100,000 each accident
2.) Employer's Liability	\$1,000,000 each occurrence
2. General Liability	(A combined single limit)
3. Aircraft Liability	\$1,000,000 each occurrence
	(A combined single limit)

**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  
302 Wilson Street, Suite 301  
Crestview FL 32536 USA

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 nonpayment 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 Risk Management Department  
302 Wilson Street, Suite 301  
Crestview FL 32536 USA

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**

1. 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.
2. The carrying of the insurance described shall in no way be interpreted as relieving the Lessee of any responsibility under this lease.
3. Should the Lessee engage a subcontractor or sub-subcontractor, the same conditions will apply under this Agreement to each subcontractor and sub-subcontractor.
4. 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.



## BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

**DATE:** November 3, 2020  
**TO:** Honorable Chairman and Distinguished Members of the Board  
**FROM:** Tracy Stage  
**SUBJECT:** Aircraft Operators, Inc. Hangar Lease Agreement (L20-0485-AP)  
**DEPARTMENT:** Airport  
**BCC DISTRICT:** 5

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**STATEMENT OF ISSUE:** The Airports Department requests approval by the Board of County Commissioners for Aircraft Operators, Inc.'s Hangar Lease Agreement (L20-0485-AP) for Block 11 Lot 2 at the Destin Executive Airport.

**BACKGROUND:** On April 15, 2003, Ludwig Law Firm (Mr. Gene Ludwig) entered into a lease agreement (L03-0213-AP) with Okaloosa County to build two blocks of hangars at the Destin Executive Airport known as the Block 10 and Block 11 hangars, with a lease expiration date of October 5, 2028. Upon completion of construction, Mr. Ludwig began subleasing the hangars, with the Board's approval. Mr. Ludwig no longer has any ownership in the Block 10/11 hangars, having sold all of his interests to new hangar owners (the sublessees).

On September 9, 2020, Ludwig Law Firm sent a letter to the Airports Department requesting to terminate its lease (L03-0213-AP). The required action to terminate the lease is being brought before the Board as a separate agenda item. The current seven sublessees collectively came to an agreement with the Airports Department to relinquish the ownership of the Block 10/11 hangars to the County in return for new individual agreements. The rental rate was negotiated based on analysis of size of the hangar, market rates and projected repair and maintenance costs. The new lessees will pay \$2.00 per square foot per year, with annual CPI adjustments. Aircraft Operators, Inc.'s individual agreement (L20-0485-AP) will be effective at midnight on the day after the Ludwig lease is terminated and will expire on October 1, 2048. Aircraft Operators, Inc. has provided all necessary documentation and internal coordination sheet is attached.

**FUNDING SOURCE (if applicable):** N/A

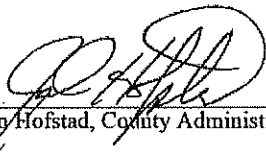
**OPTIONS:** Approve, Reject or Table.

**RECOMMENDATIONS:** It is Staff's recommendation that the Board approve Aircraft Operators, Inc.'s Hangar Lease Agreement (L20-0485-AP) for Block 11 Lot 2 located at the Destin Executive Airport.

**RECOMMENDED BY:**

  
Tracy Stage, Airport Director

10/20/2020

  
\_\_\_\_\_  
John Hofstad, County Administrator 10/27/2020

**APPROVED BY:**

PROCUREMENT/CONTRACT/LEASE  
INTERNAL COORDINATION SHEET

Procurement/Contract/Lease Number: 220-0485-AP Tracking Number: 413420  
Procurement/Contractor/Lessee Name: Aircraft Operators Grant Funded: YES  NO   
Purpose: Block II Lot 2  
Date/Term: 10-1-48  
Department #: 4210R  
Account #: 344163  
Amount: \_\_\_\_\_  
Department: Airport Dept. Monitor Name: Stoje

1.  GREATER THAN \$100,000  
2.  GREATER THAN \$50,000  
3.  \$50,000 OR LESS

**Purchasing Review**  
Procurement or Contract/Lease requirements are met:  
DeRita Mason Date: 9-24-2020  
Purchasing Manager or designee: Jeff Hyde, DeRita Mason, Jessica Darr, Angela Etheridge

**2CFR Compliance Review (if required)**  
Approved as written: NA Grant Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Grants Coordinator: Danielle Garcia

**Risk Management Review**  
Approved as written: see email attached Date: 9-25-2020  
Risk Manager or designee: Edith Gibson or Karen Donaldson

**County Attorney Review**  
Approved as written: see email attached Date: 9-14-2020  
County Attorney: Lynn Hoshijara, Kerry Parsons or Designee

**Department Funding Review**  
Department Funding Confirmed: DeRita Mason Date: 9-25-2020

**IT Review (if applicable)**  
Approved as written: \_\_\_\_\_ Date: \_\_\_\_\_

## DeRita Mason

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**From:** Patrick Gardner  
**Sent:** Thursday, September 24, 2020 1:04 PM  
**To:** DeRita Mason  
**Cc:** Tracy Stage; Allyson Oury  
**Subject:** FW: Block 10-11 - form Hangar Lease redline (9-8-20)  
**Attachments:** Block 10 Lot 4 Hangar Lease.pdf; Block 10 Lot 5 Hangar Lease.pdf; Block 10 Lot 6 Hangar Lease.pdf; Block 10 Lot 7 Hangar Lease.pdf; Block 11 Lot 1 Hangar Lease.pdf; Block 11 Lot 2 Hangar Lease.pdf; Block 11 Lot 3 Hangar Lease.pdf; Purchasing Lease Numbers.xlsx

Good Afternoon DeRita,

Ludwig is requesting to cancel his lease agreement L03-0213-AP with the County and each of the 7 current subleases will have direct leases with the County.

I have attached all 7 Lease agreements that have been reviewed by Legal, see below for Kerry's approval.

To be able to finalize the agreements for signatures I will need the new Lease numbers for all 7.

Attached are the agreements, an excel file to fill out the 7 new lease numbers, and the below approval for coordination.

Thank you!

Patrick Gardner II  
Airports Compliance Officer  
Okaloosa County

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**From:** Tracy Stage  
**Sent:** Thursday, September 24, 2020 11:57 AM  
**To:** Patrick Gardner <pgardner@myokaloosa.com>  
**Subject:** FW: Block 10-11 - form Hangar Lease redline (9-8-20)

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**From:** Parsons, Kerry <KParsons@ngn-tally.com>  
**Sent:** Monday, September 14, 2020 9:46 AM  
**To:** Tracy Stage <tstage@myokaloosa.com>  
**Subject:** RE: Block 10-11 - form Hangar Lease redline (9-8-20)

Tracy the revisions look fine.

Kerry A. Parsons, Esq.

**Nabors  
Giblin &  
Nickerson**  
ATTORNEYS AT LAW

1500 Mahan Dr. Ste. 200  
Tallahassee, FL 32308

## DeRita Mason

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**From:** Lisa Price  
**Sent:** Friday, September 25, 2020 8:36 AM  
**To:** DeRita Mason; Allyson Oury; Patrick Gardner  
**Subject:** RE: General Services Insurance Requirements for HANGER LEASES 3.26.19.docx

They are approved.

Lisa Price  
Public Records & Contracts Specialist  
302 N Wilson Street, Suite 301  
Crestview, FL. 32536  
(850) 689-5979  
[lprice@myokaloosa.com](mailto:lprice@myokaloosa.com)



*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.*

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**From:** DeRita Mason <[dmason@myokaloosa.com](mailto:dmason@myokaloosa.com)>  
**Sent:** Friday, September 25, 2020 8:35 AM  
**To:** Lisa Price <[lprice@myokaloosa.com](mailto:lprice@myokaloosa.com)>; Allyson Oury <[aoury@myokaloosa.com](mailto:aoury@myokaloosa.com)>; Patrick Gardner <[pgardner@myokaloosa.com](mailto:pgardner@myokaloosa.com)>  
**Subject:** RE: General Services Insurance Requirements for HANGER LEASES 3.26.19.docx

Lisa,  
Are the new leases approved now, are do you need to see something back from the airport?

DeRita Mason



DeRita Mason  
Contracts and Lease Coordinator  
Okaloosa County Purchasing Department  
5479A Old Bethel Road  
Crestview, Florida 32536





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/14/2020

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Southern Financial Insurance Group 2750 Chancellorsville Dr  Tallahassee FL 32312	<b>CONTACT NAME:</b> Paula Barritt <b>PHONE (A/C, No, Ext):</b> (850) 521-3075 <b>FAX (A/C, No):</b> (888) 215-6450 <b>E-MAIL ADDRESS:</b> paula@southernfig.com																					
<b>INSURED</b>  Aircraft Operators, Inc 1001 Airport Rd  Destin FL 32541	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td style="width: 80%;">INSURER A:</td> <td>Evanson Insurance Co</td> <td></td> </tr> <tr> <td>INSURER B:</td> <td></td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	Evanson Insurance Co		INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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**COVERAGES**                                      **CERTIFICATE NUMBER:** CL20101410964                                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS																				
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		3AA430630	10/14/2020	10/14/2021	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 100,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ 5,000</td></tr> <tr><td>PERSONAL &amp; ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COMP/OP AGG</td><td style="text-align: right;">\$ Excl'd</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE	\$ 1,000,000	DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000	MED EXP (Any one person)	\$ 5,000	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COMP/OP AGG	\$ Excl'd		\$						
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	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$		\$										
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	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 5%;"></td> <td style="width: 45%;">PER STATUTE</td> <td style="width: 5%;"></td> <td style="width: 15%;">OTHER</td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$</td><td></td><td></td><td></td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$</td><td></td><td></td><td></td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$</td><td></td><td></td><td></td></tr> </table>			PER STATUTE		OTHER	E.L. EACH ACCIDENT	\$				E.L. DISEASE - EA EMPLOYEE	\$				E.L. DISEASE - POLICY LIMIT	\$			
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DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Block 11, Lot 2

<b>CERTIFICATE HOLDER</b>  Okaloosa County Board of County Commissioners 302 Wilson St Ste #301  Crestview FL 32536	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  
--	--

AGENCY CUSTOMER ID: \_\_\_\_\_

LOC #: \_\_\_\_\_



## ADDITIONAL REMARKS SCHEDULE

Page \_\_\_\_ of \_\_\_\_

AGENCY Southern Financial Insurance Group		NAMED INSURED Aircraft Operators, Inc	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

### ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance: Notes

Certificate holder is listed as additional insured but only in respect to its liability arising out of the operation of the named insured, subject to the terms and conditions of the policy when required by written contract.



**Certificate of Insurance**  
QBE The Americas

This is to certify to  
(Certificate Holder):

Okaloosa County  
5479 Old Bethel Road  
Crestview, FL 32536

The following policy(ies)  
have been issued to:

Aircraft Operators, Inc.  
30 Rudnick Lane  
Dover, DE 19901-4912

<b>POLICY INFORMATION</b>			
Aircraft Policy No.	100000193	From: August 18, 2020	To: August 18, 2021
Policy Period: This Coverage Is Effective 12:01 A.M.			
Policy Territory:	Worldwide		
Insurance Company:	QBE Insurance Corporation		

		Limits of Liability	
		Each Person	Each Occurrence
<input type="checkbox"/>	Bodily Injury	\$	\$
<input type="checkbox"/>	Property Damage	\$	\$
<input type="checkbox"/>	Passenger Bodily Injury	\$	\$
<input checked="" type="checkbox"/>	Single Limit Including Pass.	\$	\$ 5,000,000
<input type="checkbox"/>	Passenger Liability Limited to:	\$	\$

Description of Aircraft	Physical Damage Coverage:		All Risks Ground and In-Flight
FAA	Number	Year	Make & Model
			Insured Value
			Deductibles (NIM/IM)
	N20CC	1998	Cessna 560
			\$3,000,000
			\$ NIL / \$ NIL
	*N642WA	1979	Piper Chieftain
			\$475,000
			\$ 15,000 / \$ 15,000

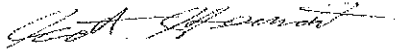
<b>THE CERTIFICATE HOLDER IS:</b>	
<input type="checkbox"/>	Included as Loss Payee for Aircraft Physical Damage Coverage.
<input type="checkbox"/>	Breach of Warranty Coverage on Aircraft Physical Damage as their interest may appear not to exceed 100% of the insured value
<input checked="" type="checkbox"/>	Included as an Additional Insured on Aircraft Liability Coverage but only with respects to the operations of the Named Insured.
<input type="checkbox"/>	Provided a waiver of subrogation on aircraft physical damage coverage but only with respects to the operations of the named insured.

<b>OTHER COVERAGES / CONDITIONS / REMARKS:</b>	
<input checked="" type="checkbox"/>	This coverage includes War Physical Damage Coverage and TRIA
<input checked="" type="checkbox"/>	This coverage includes War Liability Coverage and TRIA

**REMARKS:**  
\*N642WA Liability Limits: \$1,000,000

The Aviation Managers have made provision to give the certificate holder 30 days (10days for non-pay) notice of cancellation of any policy above; however, the Aviation Managers assume no responsibility for failure to provide such notice. This certificate does not change in any way the actual coverages provided by the policy(ies) specified above.

Date of Issue: 08/19/20

By:   
\_\_\_\_\_  
(Authorized Representative)  
**Scott Stewart**  
QBE North America  
210 Interstate N. Parkway S.E.  
Suite 500  
Atlanta, GA 30339