

EXHIBIT B

CONTRACT & LEASE AGREEMENT CONTROL FORM

Date: 1/7/2014

Contract/Lease Control #: L08-0330-AP5-156

Bid #: N/A

Contract/Lease Type: REVENUE

Award to/Lessee: JAMES COUGHLAN

Lessor: OKALOOSA COUNTY

Effective Date: 8/29/2008

Amount: \$3505

Term/Expires: 5/31/2033 JK

Description of Contract/Lease: DAP LOT 4/BLOCK 6

Department Manager: AIRPORTS

Department Monitor: Harman

Monitor's Telephone #: 651-7160

Monitor's Fax #: 651-7164

Date Closed:



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
08/10/21

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

AGENCY Hardy Aviation Insurance, Inc. a division of AssuredPartners Aerospace 9960 E 31st N Wichita KS 67206		PHONE (A/C, No., Ext): 		COMPANY Preferred Aviation Underwriters through Lexington Insurance Company 99 High Street Boston, MA 02110	
FAX (A/C, No.): 		E-MAIL ADDRESS: 		CODE: 	
AGENCY CUSTOMER ID #: 		SUB CODE: 		INSURED James Coughlan, dba/MI CO Square, Inc. dba/Tri-Star Systems 513 Norriego Road Destin, FL 31541	
LOAN NUMBER 		POLICY NUMBER 41-LX-019907178-9		EFFECTIVE DATE 08/05/21	
EXPIRATION DATE 08/05/22		CONTINUED UNTIL TERMINATED IF CHECKED <input type="checkbox"/>		THIS REPLACES PRIOR EVIDENCE DATED:	

PROPERTY INFORMATION

LOCATION/DESCRIPTION
 Lease Number L08-0330-AP

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Airport Hangar	\$58,800.00	\$1,000.00

REMARKS (including Special Conditions)

**CONTRACT#: L0S-0330-AP
 JAMES COGLAN
 DAP LOT 4/BLOCK 6
 EXPIRES 05/31/2033**

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Okaloosa County Board of County Commissioners Destin-Fort Walton Beach Airport Administration 1701 State Road 85 N Elgin AFB, FL 32542-1498	<input type="checkbox"/> MORTGAGEE	<input checked="" type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	LOAN #
AUTHORIZED REPRESENTATIVE James R. Hardy, President <i>James R. Hardy</i>		



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
04/13/21

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

AGENCY Hardy Aviation Insurance, Inc. a division of AssuredPartners Aerospace 9860 E. 21 st N. Wichita, KS 67206		PHONE (A/C. No. Ext): (316) 945-6733	COMPANY Preferred Aviation Underwriters through Lexington Insurance Company 99 HighStreet Boston, MA 02110	
CODE: _____ SUB CODE: _____		AGENCY CUSTOMER ID #: _____		
INSURED James Coughlan, dba/MI CO Square, Inc. dba/Tri-Star Systems 513 Norriego Road Destin, FL 31541		LOAN NUMBER	POLICY NUMBER 41-LX-019907178-8	
		EFFECTIVE DATE 08/05/20	EXPIRATION DATE 08/05/21	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED: _____				

PROPERTY INFORMATION

LOCATION/DESCRIPTION
 Lease Number L08-0330-AP

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Airport Hangar	\$58,800.00	\$1,000.00

REMARKS (Including Special Conditions)

CONTRACT#: L08-0330-AP
JAMES COGLAN
DAP LOT 4/BLOCK 6
EXPIRES: 05/31/2033

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Okaloosa County Board of County Commissioners Destin-Fort Walton Beach Airport Administration 1701 State Road 85 N Elgin AFB, FL 32542-1498	<input type="checkbox"/> MORTGAGEE	<input checked="" type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	
LOAN # _____		
AUTHORIZED REPRESENTATIVE James R. Hardy, President <i>James R. Hardy</i>		

MB

AIG AEROSPACE INSURANCE SERVICES, INC.

CERTIFICATE OF INSURANCE

THIS IS TO CERTIFY TO: OKALOOSA CTY BD OF CTY COMMISSIONER
 DESTIN-FORT WALTON BEACH A/P ADMIN, 1701 STATE ROAD 85 N
 ELGIN AFB, FL 32542-1498

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAS/HAVE BEEN ISSUED TO:
 JAMES H. COUGHLAN, JR and SALLY G. COUGHLAN
 P.O. BOX 7
 MORROW, GA 30260, USA

POLICY NO. LA 000298983-01
 POLICY PERIOD: From April 16, 2021 to April 16, 2022
 INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA

Coverage only applies as indicated by a specific limit and deductible.

	Limits of Liability
A. Aircraft Liability Single Limit for Bodily Injury and Property Damage <u>In</u> cluding Passengers, but Passenger Bodily Injury Limited within the Single Limit to	\$ <u>1,000,000.</u> each occurrence
B. Medical Expense <u>In</u> cluding crew	\$ <u>100,000.</u> each passenger
C. Physical Damage to Your Aircraft	\$ <u>5,000.</u> each passenger

ID Number	Year	Make and Model	Agreed Value	Coverage Type and Deductibles		
				Not-in-Motion	Not-in-Flight	Flight
N5080A	1955	CESSNA 172	\$ 26,000.	\$ 0.	\$ N/A	\$ N/A
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

THIS CERTIFICATE HOLDER IS:

1. included as additional insured as respects liability coverage but coverage only applies after all other coverage available to the additional insured has been exhausted;
2. included as additional insured as respects liability coverage but coverage only applies with respect to the storage of insured aircraft;
3. included as additional insured as respects liability coverage but coverage does not apply to any occurrence arising from the design, manufacture, modification, repair, sale, or servicing of insured aircraft other than ground handling.

Coverage is subject to Date Recognition Exclusion Clause.

The Aviation Managers has made provision to give the certificate holder prompt notice of cancellation of any policy above. But, the Aviation Managers assumes 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.

Certificate No. 12784795-11

Date of Issue April 16, 2021

By 
 (Authorized Representative)

AIRCRAFT INSURANCE POLICY COVERAGE SUMMARY PAGE

This page, the policy provisions, and the endorsements attached, completes this policy at its inception.

Policy number LA 000298983-01 Issued by: NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA
175 WATER STREET, 18TH FLOOR, NEW YORK, NY 10038

Item 1. Your Name and Address: JAMES H. COUGHLAN, JR and SALLY G. COUGHLAN
P.O. BOX 7
MORROW, GA 30260, USA

Item 2. Policy Period: From April 16, 2021 to April 16, 2022
Beginning and ending at 12:01 a.m. standard time at the address shown in Item 1. above.

Item 3. Coverage only applies as indicated by a specific limit, premium and deductible.

	Limits of Liability	Premiums
A. Aircraft Liability Single Limit for Bodily Injury and Property Damage including Passengers, but Passenger Bodily Injury Limited within the Single Limit to	\$ 1,000,000. each occurrence	\$
B. Medical Expense including crew	\$ 100,000. each passenger	\$
C. Physical Damage to Your Aircraft	\$ 5,000. each passenger	\$

ID Number	Year	Make and Model	Agreed Value	Coverage Type and Deductibles		
				Not-in-Motion	Not-in-Flight	Flight
N5080A	1955	CESSNA 172	\$ 26,000.	\$ 0.	N/A	\$ N/A
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

Endorsements: LAD01-NU 02/12, LAD180, LAD1541, AVN48B, UE1066-GA, AVN38B, AV882, AVN46B, 125595, LAD857, UE858, LAD26, UE2000A, UE2001A, UE1437, SE52138, UE1622

State and Local Premium Taxes and Surcharges: \$

Total Premium \$

Item 4. The aircraft will be used only for Business and Pleasure use.

Item 5. While the aircraft is in flight it will be piloted only by the person(s) meeting the provisions of the "Pilots Endorsement".

Producer ASSURED PARTNERS DBA HARDY AVIATION
H00022 9860 E. 21ST N., WICHITA, KS 67206-3589

Countersigned _____

At _____

By _____
(Authorized Representative)

Approved By 
(Authorized Representative)

~~X~~ 13. PREMISES

Coverage A is extended to **bodily injury** and **property damage** for which you are legally liable, caused by an occurrence and arising out of the maintenance or use of the **premises** in or upon which your aircraft is stored.

Premises means the portions of an airport as are designated and used for the parking or storage of your aircraft, including **premises** owned or maintained by you.

The insurance provided by this Paragraph 13. will be secondary to, and excess over, any other valid and collectible insurance available to you.

ADDITIONAL INSURED ENDORSEMENT

In consideration of an additional premium of \$ (Included), the following are included as additional insured, but only with respect to the liability coverage afforded by this policy and is subject to the following:

(Only the clause(s) indicated by an "X" shall apply.)

- Excess Liability - Coverage only applies after all other coverage available to the additional insured has been exhausted.
- Non-operational - Coverage only applies with respect to the vicarious liability of the additional insured for the operation of the aircraft by the Named Insured, including any interest in the aircraft as owner/lessor.
- Flight Instruction - Coverage only applies while instructing, supervising, evaluating or examining the following pilots, who must also meet the requirements of the Pilots Endorsement:

- Hangarkeepers - Coverage only applies with respect to the storage of **your aircraft**.
- Workmanship Exclusion - Coverage does not apply to any **occurrence** arising from the design, manufacture, modification, repair, sale, or servicing of **your aircraft** other than ground handling.

Additional Insured:

OKALOOSA CTY BD OF CTY COMMISSIONER
DESTIN-FORT WALTON BEACH A/P ADMIN, 1701 STATE ROAD 85 N
ELGIN AFB, FL 32542-1498

All other provisions of this policy remain the same.

This endorsement becomes effective April 16, 2021 to be attached to and hereby made a part of Policy No. LA 000298983-01 issued to JAMES H. COUGHLAN, JR, ET AL

By NATIONAL UNION FIRE INSURANCE CO. OF PITTSBURGH, PA

Endorsement No. 11

Date of Issue April 16, 2021

By 
(Authorized Representative)

LAD26 (1/05)

**AMENDMENT OF LEASE L08-0330-AP
JAMES COUGHLAN HANGAR LEASE AT THE
DESTIN EXECUTIVE AIRPORT**

This Amendment of Lease made and entered into this 12th day of July, 2017, hereby approves this Amendment for lease L08-0330-AP (“the Lease Agreement”), between James Coughlan, (“Lessee”), and Okaloosa County, Florida through its Board of County Commissioners (hereinafter the “County”).

WITNESSETH:

WHEREAS, on December 23, 2013, Lessee entered into an Hangar Renewal Lease Agreement, L08-0330-AP with the County for Hanger Space at the Destin Executive Airport with a current expiration date of May 31, 2033; and

WHEREAS, on November 15, 2016 the Board approved the new language for storage of items in the hangar, which the parties now desire to incorporate within the Lease Agreement; and

WHEREAS, the parties now desire to provide additional revisions to the Lease Agreement.

NOW THEREFORE, in consideration of the mutual covenants herein and other good and valuable consideration, the executing parties consent to and agrees to the following:

AMENDMENT

1. Section 10 titled “Care of Leased Premises” of L08-0330-AP, is deleted and replaced as follows:

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 hangars 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 the County premises.

2. Section 12 titled “Taxes” of L08-0330-AP, is deleted and replaced as follows:

Taxes and Assessments: Lessee shall pay all taxes, assessments, and other similar charges required by any local, state or federal law, including but not limited to such taxes and assessments as may from

IN WITNESS WHEREOF, the parties hereto have executed this amendment as of the day and year first written.

OKALOOSA COUNTY, FLORIDA

Carolyn N. Ketchel
Carolyn N. Ketchel, Chairman
Date: 12 July 2017



ATTEST:

J.D. Peacock II
J.D. Peacock II, Clerk



LESSEE

James Coughlan
James Coughlan
Date: 6-12-17

ATTEST:

Stacy R. Winters
Witness Stacy R. Winters

Gwyn Wenden
Witness Gwyn Wenden

ACKNOWLEDGMENTS

STATE OF Florida
COUNTY OF Okaloosa

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

Sworn and subscribed before me this 12th day of June, 2017, AD.



Roberta S. Davis
NOTARY

My Commission Expires: 10-8-2017



CA # 2

BOARD OF COUNTY COMMISSIONERS AGENDA REQUEST

DATE: July 11, 2017
TO: Honorable Chairman and Members of the Board
FROM: Tracy Stage
SUBJECT: James Coughlan Amendment One
DEPARTMENT: Airport
BCC DISTRICT: 5

STATEMENT OF ISSUE: The Airports Department requests approval by the Board of County Commissioners for Amendment One of the James Coughlan Hangar Lease for Block 6 Lot 4 at the Destin Executive Airport (L08-0330-AP).

BACKGROUND: On December 23, 2013, James Coughlan entered into a Hangar Renewal Lease at the Destin Executive Airport. On November 15, 2016, the Board approved new language for the storage of items in lessee's hangars. Mr. James Coughlan requests this new Care of Leased Premises language be added to his Lease. Mr. Coughlan's certificate of insurance is attached along with the contract and lease internal coordination sheet.

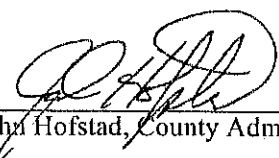
OPTIONS: Approve, Reject or Table.

RECOMMENDATIONS: It is Staff's recommendation that the Board approve Amendment One to the James Coughlan Hangar Lease at the Destin Executive Airport as described above.

RECOMMENDED BY:


Tracy Stage, Airport Director 6/28/2017

APPROVED BY:


John Hofstad, County Administrator 7/3/2017
John Hofstad, County Administrator

SCANNED



CONTRACT & LEASE INTERNAL COORDINATION SHEET

5-3-17

Contract/Lease Number: LOB-0330-AP Tracking Number: 2396-17
 Contractor/Lessee Name: James Coughlan Grant Funded: YES ___ NO X
 Purpose: Amendment One
 Date/Term: 5-31-2033 1. GREATER THAN \$50,000
 Amount: _____ 2. GREATER THAN \$25,000
 Department: Airports 3. \$25,000 OR LESS
 Dept. Monitor Name: Stage / Miner
 Document has been reviewed and includes any attachments or exhibits.

Purchasing Review

Procurement requirements are met:
Chris Powell Date: 5/3/2017
 Purchasing Director or designee

Risk Management Review

Approved as written:
Kristal King Date: 5-4-17
 Risk Manager or designee

County Attorney Review
See grant notes 5/4/2017

Approved as written:
 _____ Date: _____
 County Attorney

Following Okaloosa County approval:

Contract & Grant

Document has been received:
 _____ Date: _____
 Contracts & Grants Manager

Charles Powell

From: Parsons, Kerry <KParsons@ngn-tally.com>
Sent: Thursday, May 04, 2017 12:59 PM
To: Dave Miner; Charles Powell
Cc: Krystal King; Laura Porter; Stephanie Herrick; Lynn Hoshihara
Subject: RE: Amendment One to James Coughlan for Coordination

This is approved for legal purposes.

Dave- I'm assuming since this is going through that Mr. Coughlan is finally paid up to date on hanger lease charges?

From: Dave Miner [mailto:dminer@co.okaloosa.fl.us]
Sent: Wednesday, May 03, 2017 2:47 PM
To: Charles Powell
Cc: Parsons, Kerry; Krystal King; Laura Porter; Stephanie Herrick
Subject: Amendment One to James Coughlan for Coordination

Charles:

Please send out the attached Amendment One to James Coughlan for coordination. You will receive the original in distro.
Thank you.

Dave

David E. Miner
Properties and Leases
Okaloosa County Airports
(850) 651-7160 Ext. 4
www.flyvps.com

Dave Miner

From: Krystal King
Sent: Thursday, June 22, 2017 2:40 PM
To: Dave Miner; Laura Porter
Cc: Stephanie Herrick
Subject: RE: COI James Coughlan

The Aircraft and Public Liability coverage meets the lease requirements. If \$58,800 is sufficient to cover the loss of the hangar, then the property insurance meets the lease requirements as well.

Thanks,

Krystal King
Okaloosa County
Risk Management
(850)689-5977
Fax (850)689-5973

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 email communication including your email address, may be subject to public disclosure.

From: Dave Miner
Sent: Thursday, June 15, 2017 10:10 AM
To: Krystal King <kking@co.okaloosa.fl.us>; Laura Porter <lporter@co.okaloosa.fl.us>
Cc: Stephanie Herrick <sherrick@co.okaloosa.fl.us>
Subject: COI James Coughlan

Krystal:

Please review the attached COI for James Coughlan (L08-0330-AP) and let us know if the COI complies with requirements.

Thank you.

Dave

David E. Miner
Properties and Leases
Okaloosa County Airports
(850) 651-7160 Ext. 4
www.flyvps.com



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
08/03/16

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

AGENCY Hardy Aviation Insurance, Inc. P O Box 12010 Wichita, KS 67277-2010		PHONE (A/C, No., Ext): (316) 945-6733		COMPANY Preferred Aviation Underwriters through Lexington Insurance Company 100 Summer Street Boston, MA 02110	
FAX (A/C, No.): (316) 945-2330		E-MAIL ADDRESS: hardy@hardyaviationins.com			
AGENCY CUSTOMER ID #:		SUB CODE:			
INSURED James Coughlan, dba MICO Square, Inc., dba Tri-Star Systems 513 Norriego Road Destin FL 31541		LOAN NUMBER		POLICY NUMBER 41-LX-019907178-3	
		EFFECTIVE DATE 08/05/16		EXPIRATION DATE 08/05/17	
				<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION

LOCATION/DESCRIPTION
 Lot 4, Block 6, Destin-Fort Walton Beach Airport (KDTS)

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Airport Hangar	\$58,800.00	\$1,000.00

REMARKS (Including Special Conditions)

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Okaloosa County Attn: David Miner 5749 A Old Bethel Road Crestview, FL 32536	<input type="checkbox"/> MORTGAGEE	<input checked="" type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	<input type="checkbox"/>
LOAN #		
AUTHORIZED REPRESENTATIVE James R. Hardy, President <i>James R. Hardy</i>		



CERTIFICATE OF AIRCRAFT INSURANCE

DATE (MMDDYYYY)

04/11/2017

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).

PRODUCER Hardy Aviation Insurance Inc. P.O. Box 12010 Wichita, KS, 67277	CONTACT NAME:		
	PHONE (A/C, No, Ext):	FAX (A/C, No):	
E-MAIL ADDRESS:			
PRODUCER CUSTOMER ID No.			
INSURED MI CO Square, Inc. dba Tri-Star Systems James H. Coughlan, Jr. 513 Norwego Road Destin, FL, 32541-3011	INSURER(S) AFFORDING COVERAGE	%	NAIC No.
	INSURER A: U.S. SPECIALTY INSURANCE COMPANY	100%	
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		

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.

POLICY INFORMATION **CERTIFICATE NUMBER:** **REVISION NUMBER:**

POLICY TYPE		LINE OF BUSINESS SUBCODE												
INDUSTRIAL AD	<input checked="" type="checkbox"/>	PLEASURE & BUS	<input type="checkbox"/>	COMMERCIAL	<input checked="" type="checkbox"/>	AIRPLANE	<input type="checkbox"/>	HELICOPTER	<input type="checkbox"/>	MIXED FLEET	<input type="checkbox"/>	EXCESS	<input type="checkbox"/>	QUOTA SHARE
NON-OWNED	<input type="checkbox"/>				<input type="checkbox"/>	LIABILITY ONLY	<input checked="" type="checkbox"/>	HULL & LIABILITY	<input type="checkbox"/>	HULL ONLY	<input type="checkbox"/>			

AIRCRAFT INFORMATION **ACORD 333, Aircraft Schedule attached**

YEAR 1996	MAKE PIPER	MODEL PA 46-350P	SERIAL NUMBER	REGISTRATION NUMBER N896SJ
TERRITORY:				

AIRCRAFT COVERAGES

INSURER LETTER	POLICY NUMBER GA00182567-03	EFFECTIVE DATE 03/01/2017	EXPIRATION DATE 03/01/2018	ADDITIONAL INSURED? (Y/N) Y	SUBROGATION WAIVED? (Y/N) Y	
COVERAGE	OPTIONS	LIMIT	APPLIES TO	LIMIT	APPLIES TO	
AIRCRAFT HULL	<input checked="" type="checkbox"/> ALL RISK GROUND AND FLIGHT <input type="checkbox"/> ALL RISK GROUND ONLY	\$ 425,000	AGREED VALUE	\$	Ded. - Not in motion Ded. - In motion	
AIRCRAFT LIABILITY	<input checked="" type="checkbox"/> LIABILITY	\$ 1,000,000	EA OCC	\$	EA PER AGGR	
MEDICAL PAYMENTS	<input checked="" type="checkbox"/> INCLUDING CREW <input type="checkbox"/> EXCLUDING CREW	\$ 5,000	EA PER	\$ 30,000	EA OCC	
COVERAGE						
CODE	DESCRIPTION	OPTIONS	LIMIT	APPLIES TO	LIMIT	APPLIES TO

DESCRIPTION OF OPERATIONS / REMARKS (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder is included as an Additional Insured with a Waiver of Subrogation.

CERTIFICATE HOLDER

Okaloosa County
Attn: David Miner
5749 A Old Bethel Road
Crestview, FL 32536

CANCELLATION

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

AIRCRAFT INSURANCE POLICY

COVERAGE IDENTIFICATION PAGE

U. S. SPECIALTY INSURANCE COMPANY

A CAPITAL STOCK COMPANY
 ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY
 HOUSTON, TEXAS 77040-6094

YOUR POLICY NUMBER GA00182667-03

Prior Policy No. GA00182667-02

ITEM	1 NAME INSURED MI CO Square, Inc. dba Tri-Star Systems James H. Coughlan, Jr.	YOUR AGENT'S NAME AND ADDRESS Hardy Aviation Insurance Inc. P.O. Box 12010 Wichita, KS, 67277
2	YOUR ADDRESS 513 Norriego Road Destin, FL, 32541-3011	

3 POLICY PERIOD: 12:01 A.M. STANDARD TIME AT YOUR ABOVE ADDRESS FROM: 03/01/2017 TO: 03/01/2018

4 LOCATION OF AIRCRAFT: The aircraft will be principally based at DESTIN-FORT WALTON BEACH, DESTIN, FL

5 DESCRIPTION OF AIRCRAFT: You have told us that each of the aircraft below (1) has an FAA standard airworthiness certificate unless noted below*; and (2) is solely and unconditionally owned by you unless noted differently in Item 1 and/or 11 or endorsements we issue.

FAA NUMBER	YEAR, MAKE AND MODEL <small>*(Include description if not an FAA standard certificated landplane)</small>	TOTAL SEATS	AIRCRAFT PHYSICAL DAMAGE COVERAGE <small>(If no Agreed Value shown, no coverage is provided)</small>		
			AGREED VALUE	<input type="checkbox"/> Not in Motion DEDUCTIBLE	<input type="checkbox"/> In Motion DEDUCTIBLE
N896SJ	1996 PIPER PA 46-350P	6	\$ 425,000	\$	\$

6 COVERAGES AND LIMITS OF LIABILITY: The most we will pay under each coverage we provide is shown below for each aircraft. (Where no amount is shown, no coverage is provided)

FAA NUMBER	LIABILITY TO OTHERS	A Bodily Injury Excluding Passengers		B Passenger Bodily Injury		C Property Damage		D Single Limit Bodily Injury/Property Damage		DL Single Limit Bodily Injury/Property Damage Limited Pass.		E Medical Expense
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
N896SJ	each person each occurrence	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
										100,000	\$	5,000
										1,000,000	\$	30,000

7 ANNUAL PREMIUMS: Your cost for each coverage we provide is shown below. (Where no amount is shown, no coverage is provided)

FAA NUMBER	ANNUAL PREMIUMS: Your cost for each coverage we provide is shown below. (Where no amount is shown, no coverage is provided)									TOTAL FOR A/C
	COV. A	COV. B	COV. C	COV. D	COV. DL	COV. E	COV. F	COV. G		
N896SJ	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

8 ENDORSEMENTS ATTACHED WHEN POLICY ISSUED NOS: ANNUAL ENDORSEMENT PREMIUM See Form(s) PREMIUM DUE

Form Name	Form Version	Form Title
AIP 1680	(08/10)	PROTECTING THE PRIVACY OF INFORMATION
AIP 1105	(08/10)	AIRCRAFT POLICY CONDITIONS
AIP 1310	(04/14)	FLORIDA INFORMATION NOTICE
AIP 1210	(01/16)	FLORIDA AMENDATORY ENDORSEMENT
AIP 1195	(08/10)	WAR HIJACKING AND OTHER PERILS EXCLUSION
AIP 1301	(08/10)	ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT
AIP 1543	(08/12)	EXPANSION OF COVERAGE X

AIRCRAFT INSURANCE POLICY

COVERAGE IDENTIFICATION PAGE

U. S. SPECIALTY INSURANCE COMPANY

- A CAPITAL STOCK COMPANY
- ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY
- HOUSTON, TEXAS 77040-6094

YOUR POLICY NUMBER GA00182667-03

Prior Policy No. GA00182667-02

	AIP 1881	(01/15)	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
*	AIP 1109	(08/10)	ADDITIONAL INSURED STORAGE AND TIE DOWN OF AIRCRAFT ✗
*	AIP 1407	(08/10)	DAMAGED AIRCRAFT-AIRCRAFT PHYSICAL DAMAGE
*	AIP 1190	(08/12)	WAIVER OF OUR RIGHT OF RECOVERY (LIMITED) ✗
9	FAA NUMBER	<p>THE PILOT FLYING THE AIRCRAFT: The aircraft must be operated in flight only by a person shown below, who must have a current and proper (1) medical certificate and (2) pilot certificate with necessary ratings as required by the FAA for each flight. There is no coverage under the policy if the pilot does not meet these requirements.</p>	
		<p>Open Pilot Warranty</p> <p>Any pilot having an instrument rating who has completed annual ground and flight training in the same make and model as this aircraft and logged a minimum of 1,000 hours total time and 150 hours in retractable gear aircraft and 25 hours in the same make and model as this aircraft</p> <p>Named Pilots</p> <p>Jim Coughlan</p> <p>Named Pilots with Requirements</p>	
	N896SJ		
10	FAA NUMBER	<p>THE USE OF THE AIRCRAFT: The aircraft will be used for your pleasure and business related purposes where no charge is made for such use and also will be used for the following purposes:</p>	
	N896SJ	No Other Use Approved	
11	<p>ADDITIONAL INTEREST: Payment for Aircraft Physical Loss or Damage under Coverage F or G will be made to you and</p>		
	NAME AND ADDRESS OF LIENHOLDER / LOSS PAYEE		L/I
			LOAN BALANCE

Countersigned this _____ day of _____, _____

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is issued by U.S. Specialty Insurance Company

Policy number: GA00182667-03
Endorsement number:
Issued to (first Named Insured): MI CO Square, Inc. dba Tri-Star Systems
Effective: 03/01/2017
For: premium of \$

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

the nearest airport. **You** must notify **us** immediately and **we** must agree to the method of the transportation. The most **we** will reimburse **you** under this paragraph is \$25,000 during **your** policy period.

11. Extra Expenses

Under PART FIVE - SPECIAL PROVISIONS AND CONDITIONS - in the event an **aircraft** described in Item 5 of the Coverage Identification Page is laid up and out of service because of an **accident** covered by this policy, **we** will reimburse **you** for the **extra expense** incurred in leasing or renting a temporary replacement aircraft or aircraft part while the damaged **aircraft** or **aircraft** part is being repaired. **Extra Expense** means the actual cost of leasing or renting a replacement aircraft or part and does not include storage charges, service fees, salaries, maintenance, or operation costs.

a. What **We** Will Pay

After an **aircraft** shown in Item 5 of the Coverage Identification Page has been damaged and continuing for not more than 60 consecutive days, **we** will reimburse **you** a maximum daily **extra expense** of \$1,000. The most **we** will pay is \$10,000 during **your** policy period. **Extra expense** is in addition to the **agreed value** shown in Item 5 of the Coverage Identification Page.

b. What **We** Will Not Pay

We will not reimburse **you** for any **extra expense**:

- (1) after completion of repairs to **your** damaged **aircraft**;
- (2) if the **aircraft** is destroyed, after **we** have furnished **you** with a proof of loss; or

- (3) if **you** have permanently replaced **your** damaged **aircraft**.

You must provide **us** with invoices for all covered **extra expense** within 90 days from the date incurred by **you**.

12. Premises Extension

Under PART THREE - LIABILITY TO OTHERS - Paragraph 1 "What **We** Cover" is extended to include damage **you** are legally required to pay for **bodily injury** or **property damage** caused by an **occurrence** arising out of **your** legal use of **premises** at an airport. **Premises** means the portion of an airport used for the immediate parking, tiedown or storage of **your** **aircraft**.

13. Use of Another Aircraft

Under PART FIVE - SPECIAL PROVISIONS AND CONDITIONS - **we** will:

- a. provide the coverage shown in Paragraph 3 "Use of Another Aircraft" if **you** fly another aircraft;
- b. under Paragraph 3 "Use of Another Aircraft", pay for physical loss of or damage to other aircraft for which **you** are legally responsible. The most **we** will pay is the cost to repair or replace the other aircraft, not to exceed its fair market value or 125% of the highest **aircraft agreed value** shown on Item 5 of the Coverage Identification Page, whichever is less. **You** must first pay or bear the highest **in motion** deductible for an **aircraft** shown in Item 5 of the Coverage Identification Page.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is issued by U.S. Specialty Insurance Company

Policy number: GA00182667-03
Endorsement number:
Issued to (first Named Insured): MI CO Square, Inc. dba Tri-Star Systems
Effective: 03/01/2017
For: premium of \$

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

ADDITIONAL INSURED STORAGE AND TIE DOWN OF AIRCRAFT

In addition to those already protected under PART THREE - LIABILITY TO OTHERS, this policy will also protect

Okaloosa County
Attn: David Miner, 5749 A Old Bethel Road, Crestview, FL 32536

The person or organization named in this endorsement is included as an insured, but only with respect to their ground storage or tie down of **your aircraft**. Storage or tie down does not include **in motion** or **in flight aircraft** operations.

However, no person or organization or employee or agent is an insured under this endorsement for any **occurrence** arising directly or indirectly out of the act or acts of or while engaged in making, distributing, selling, furnishing, servicing, repairing, renting or leasing any aircraft, aircraft component or product used, or intended for use in or for aircraft.

This endorsement applies to all **aircraft** covered by **your** policy unless the following information is completed.

This endorsement applies only to the following **aircraft**:

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is issued by U.S. Specialty Insurance Company

Policy number: GA00182667-03
Endorsement number:
Issued to (first Named Insured): MI CO Square, Inc. dba Tri-Star Systems
Effective: 03/01/2017
For: premium of \$

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WAIVER OF OUR RIGHT OF RECOVERY (LIMITED)

Our Right of Recovery is stated in Paragraph 11 of PART ONE - GENERAL PROVISIONS AND CONDITIONS.

For any payment we make under PART TWO - AIRCRAFT PHYSICAL DAMAGE, we agree to waive our Right of Recovery from:

Okaloosa County
Attn: David Miner, 5749 A Old Bethel Road, Crestview, FL 32536

Nevertheless, we will not waive our Right of Recovery for loss or damage to **your aircraft** arising out of work performed by or on behalf of **anyone** named above, or arising out of materials, parts or equipment furnished by or on behalf of **anyone** named above.

This endorsement applies to all **aircraft** covered by **your** policy unless the following information is completed.

This endorsement applies only to the following **aircraft**:

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

ACORD[®] CERTIFICATE OF AIRCRAFT INSURANCE

DATE (MM/DD/YYYY)

01/09/2015

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 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).

PRODUCER Hardy Aviation Insurance Inc. P.O. Box 12010 Wichita, KS. 67209	CONTACT NAME	
	PHONE (A/C, No, Ext)	FAX (A/C, No)
E-MAIL ADDRESS		
INSURED MI CO Square, Inc. dba Tri-Star Systems and James Coughlan 513 Norrtego Road Destin, FL, 32541	PRODUCER CUSTOMER ID#	
	INSURER(S) AFFORDING COVERAGE	%
	INSURER A U.S. SPECIALTY INSURANCE COMPANY	100%
	INSURER B	
	INSURER C	
	INSURER D	
	INSURER E	

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.


POLICY INFORMATION		CERTIFICATE NUMBER:		REVISION NUMBER:	
POLICY TYPE			LINE OF BUSINESS SUBCODE		
<input type="checkbox"/> INDUSTRIAL AD	<input checked="" type="checkbox"/> PLEASURE & BUS	<input type="checkbox"/> COMMERCIAL	<input checked="" type="checkbox"/> AIRPLANE	<input type="checkbox"/> HELICOPTER	<input type="checkbox"/> MIXED FLEET
<input type="checkbox"/> NON-OWNED			<input type="checkbox"/> LIABILITY ONLY	<input checked="" type="checkbox"/> HULL & LIABILITY	<input type="checkbox"/> HULL ONLY

AIRCRAFT INFORMATION		ACORD 333, Aircraft Schedule attached			
YEAR 1996	MAKE PIPER	MODEL PA 46-350P	SERIAL NUMBER	REGISTRATION NUMBER N896SJ	
TERRITORY:					

AIRCRAFT COVERAGES					
INSURER LETTER	POLICY NUMBER	EFFECTIVE DATE	EXPIRATION DATE	ADDITIONAL INSURED? (Y/N)	SUBROGATION WAIVED? (Y/N)
	GA00182667-00	01/07/2015	- 03/01/2015	Y	Y
COVERAGE	OPTIONS	LIMIT	APPLIES TO	LIMIT	APPLIES TO
AIRCRAFT HULL	<input checked="" type="checkbox"/> ALL RISK GROUND AND FLIGHT	\$ 425,000	AGREED VALUE	\$	Ded. - Not in motion
	<input type="checkbox"/> ALL RISK GROUND ONLY			\$	Ded. - In motion
AIRCRAFT LIABILITY	<input checked="" type="checkbox"/> LIABILITY	\$ 1,000,000	EA OCC	\$	EA PER
		\$ 100,000	EA PASS	\$	AGGR
MEDICAL PAYMENTS	<input checked="" type="checkbox"/> INCLUDING CREW	\$ 5,000	EA PER	\$ 30,000	EA OCC
	<input type="checkbox"/> EXCLUDING CREW				
CODE	DESCRIPTION	OPTIONS	LIMIT	APPLIES TO	LIMIT

DESCRIPTION OF OPERATIONS / REMARKS (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate Holder is included as an Additional Insured with a Waiver of Subrogation.

CERTIFICATE HOLDER	CANCELLATION
Oklalossa County Attn: David Miner 602 - C North Pearl Street Crestview, FL 32536	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 

ACORD 21 (2009/12)

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L08-0330-AP



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
08/03/15

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

AGENCY Hardy Aviation Insurance, Inc. P O Box 12010 Wichita, KS 67277-2010		PHONE (A/C, No, Ext): (316) 945-6733	COMPANY Preferred Aviation Underwriters through Lexington Insurance Company 100 Summer Street Boston, MA 02110	
FAX (A/C, No): (316) 945-2330		E-MAIL ADDRESS: hardy@hardyaviationins.com		
CODE:		SUB CODE:		
AGENCY CUSTOMER ID #:				
INSURED James Coughlan, dba MICO Square, Inc., dba Tri-Star Systems 513 Norriego Road Destin FL 31541		LOAN NUMBER	POLICY NUMBER 41-LX-019907178-2	
		EFFECTIVE DATE 08/05/15	EXPIRATION DATE 08/05/16	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION
Lot 4, Block 6, Destin-Fort Walton Beach Airport (KDTS)

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Airport Hangar	\$58,800.00	\$1,000.00

REMARKS (Including Special Conditions)

L08-0330-AP

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Okaloosa County Attn: David Miner 602 - C North Pearl Street Crestview, FL 32536	<input type="checkbox"/> MORTGAGEE	<input checked="" type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	
LOAN #		
AUTHORIZED REPRESENTATIVE James R. Hardy, President <i>James R. Hardy</i>		

AIRCRAFT INSURANCE POLICY

COVERAGE IDENTIFICATION PAGE

U. S. SPECIALTY INSURANCE COMPANY

■ A CAPITAL STOCK COMPANY
 ■ ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY
 ■ HOUSTON, TEXAS 77040-6094

YOUR POLICY NUMBER GA00182667-01

Prior Policy No. GA00182667-00

ITEM	1 NAME INSURED MI Co. Square Inc. dba Tri-Star Systems and James H. Coughlan Jr.	YOUR AGENT'S NAME AND ADDRESS Hardy Aviation Insurance Inc. P.O. Box 12010 Wichita, KS, 67209
2	YOUR ADDRESS 513 Norriego Road Destin, FL, 32541-3011	

3 POLICY PERIOD: 12:01 A.M. STANDARD TIME AT YOUR ABOVE ADDRESS FROM: **03/01/2015** TO: **03/01/2016**
 4 LOCATION OF AIRCRAFT: The aircraft will be principally based at **DESTIN-FORT WALTON BEACH DESTIN FL**
 5 DESCRIPTION OF AIRCRAFT: You have told us that each of the aircraft below (1) has an FAA standard airworthiness certificate unless noted below; and (2) is solely and unconditionally owned by you unless noted differently in Item 1 and/or 11 or endorsements we issue.

FAA NUMBER	YEAR, MAKE AND MODEL <small>*(Include description if not an FAA standard certificated landolane)</small>	TOTAL SEATS	AIRCRAFT PHYSICAL DAMAGE COVERAGE <small>(If no Agreed Value shown, no coverage is provided)</small>		
			AGREED VALUE	F Not in Motion DEDUCTIBLE	G In Motion DEDUCTIBLE
N896SJ	1996 PIPER PA 46-350P	6	\$ 425,000	\$	\$

6 COVERAGES AND LIMITS OF LIABILITY: The most we will pay under each coverage we provide is shown below for each aircraft. (Where no amount is shown, no coverage is provided)

FAA NUMBER	LIABILITY TO OTHERS	A Bodily Injury Excluding Passengers	B Passenger Bodily Injury	C Property Damage	D Single Limit Bodily Injury/Property Damage	DL Single Limit Bodily Injury/Property Damage Limited Pass.	E Medical Expense
N896SJ	each person each occurrence	\$ \$	\$ \$	\$ \$	\$ \$	\$ 100,000 \$ 1,000,000	\$ 5,000 \$ 30,000

7 ANNUAL PREMIUMS: Your cost for each coverage we provide is shown below. (Where no amount is shown, no coverage is provided)

FAA NUMBER	ANNUAL PREMIUMS: Your cost for each coverage we provide is shown below. (Where no amount is shown, no coverage is provided)								
	COV. A	COV. B	COV. C	COV. D	COV. DL	COV. E	COV. F	COV. G	TOTAL FOR A/C
N896SJ	\$	\$	\$	\$	\$	\$ Incl \$	\$	\$	\$

8 ENDORSEMENTS ATTACHED WHEN POLICY ISSUED NOS: FORMS: ANNUAL ENDORSEMENT PREMIUM \$ 0 PREMIUM DUE

Form Name	Form Version	Form Title	Form Premium
AIP 1680	(08/10)	PROTECTING THE PRIVACY OF INFORMATION	
AIP 1195	(08/10)	WAR HIJACKING AND OTHER PERILS EXCLUSION	
AIP 1210	(08/10)	STATE OF FLORIDA CANCELLATION AND NONRENEWAL AMENDATORY	
AIP 1105	(08/10)	AIRCRAFT POLICY CONDITIONS	
AIP 1310	(04/14)	FLORIDA INFORMATION NOTICE	
AIP 1109*	(08/10)	ADDITIONAL INSURED STORAGE AND TIE DOWN OF AIRCRAFT *	
AIP 1301	(08/10)	ALASKA DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT	

L 0336

AIRCRAFT INSURANCE POLICY

COVERAGE IDENTIFICATION PAGE

U. S. SPECIALTY INSURANCE COMPANY

■ A CAPITAL STOCK COMPANY
 ■ ADMINISTRATIVE OFFICES: 13403 NORTHWEST FREEWAY
 ■ HOUSTON, TEXAS 77040-6094

YOUR POLICY NUMBER GA00182667-01

Prior Policy No. GA00182667-00

	AIP 1407	(08/10)	DAMAGED AIRCRAFT-AIRCRAFT PHYSICAL DAMAGE
	AIP 1543 *	(08/12)	EXPANSION OF COVERAGE *
	AIP 1190 *	(08/12)	WAIVER OF OUR RIGHT OF RECOVERY (LIMITED) *
	AIP 1111	(08/10)	ADDITIONAL INSURED - FLIGHT TRAINING
9	FAA NUMBER	THE PILOT FLYING THE AIRCRAFT: The aircraft must be operated in flight only by a person shown below, who must have a current and proper (1) medical certificate and (2) pilot certificate with necessary ratings as required by the FAA for each flight. There is no coverage under the policy if the pilot does not meet these requirements.	
	N896SJ	Open Pilot Warranty Any pilot having an instrument rating who has completed annual ground and flight training in the same make and model as this aircraft and logged a minimum of 1,000 hours total time and 150 hours in retractable gear aircraft and 25 hours in the same make and model as this aircraft Named Pilots Named Pilots with Requirements Jim Coughlan Must complete ground and flight training approved by us every year	
10	FAA NUMBER	THE USE OF THE AIRCRAFT: The aircraft will be used for your pleasure and business related purposes where no charge is made for such use and also will be used for the following purposes:	
	N896SJ	No Other Use Approved	
11	ADDITIONAL INTEREST: Payment for Aircraft Physical Loss or Damage under Coverage F or G will be made to you and		
		NAME AND ADDRESS OF LIENHOLDER / LOSS PAYEE	L/I
			LOAN BALANCE

Countersigned this _____ day of _____, _____

L 0330

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is issued by U.S. Specialty Insurance Company

Policy number: GA00182667-01
Endorsement number:
Issued to (first Named Insured): MI Co. Square Inc. dba Tri-Star Systems and James H. Coughlan Jr.
Effective: 03/01/2015
For: premium of \$

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

ADDITIONAL INSURED STORAGE AND TIE DOWN OF AIRCRAFT

In addition to those already protected under PART THREE - LIABILITY TO OTHERS, this policy will also protect

Oklaloosa County

Attn: David Miner, 602-C North Pearl Street, Crestview, FL 32536

The person or organization named in this endorsement is included as an insured, but only with respect to their ground storage or tie down of **your aircraft**. Storage or tie down does not include **in motion** or **in flight aircraft** operations.

However, no person or organization or employee or agent is an insured under this endorsement for any **occurrence** arising directly or indirectly out of the act or acts of or while engaged in making, distributing, selling, furnishing, servicing, repairing, renting or leasing any aircraft, aircraft component or product used, or intended for use in or for aircraft.

This endorsement applies to all **aircraft** covered by **your** policy unless the following information is completed.

This endorsement applies only to the following **aircraft**:

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

L 0330

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is issued by U.S. Specialty Insurance Company

Policy number: GA00182667-01
Endorsement number:
Issued to (first Named Insured): MI Co. Square Inc. dba Tri-Star Systems and James H. Coughlan Jr.
Effective: 03/01/2015
For: premium of \$

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

the nearest airport. You must notify us immediately and we must agree to the method of the transportation. The most we will reimburse you under this paragraph is \$25,000 during your policy period.

11. Extra Expenses

Under PART FIVE - SPECIAL PROVISIONS AND CONDITIONS - in the event an aircraft described in Item 5 of the Coverage Identification Page is laid up and out of service because of an accident covered by this policy, we will reimburse you for the extra expense incurred in leasing or renting a temporary replacement aircraft or aircraft part while the damaged aircraft or aircraft part is being repaired. Extra Expense means the actual cost of leasing or renting a replacement aircraft or part and does not include storage charges, service fees, salaries, maintenance, or operation costs.

a. What We Will Pay

After an aircraft shown in Item 5 of the Coverage Identification Page has been damaged and continuing for not more than 60 consecutive days, we will reimburse you a maximum daily extra expense of \$1,000. The most we will pay is \$10,000 during your policy period. Extra expense is in addition to the agreed value shown in Item 5 of the Coverage Identification Page.

b. What We Will Not Pay

We will not reimburse you for any extra expense:

- (1) after completion of repairs to your damaged aircraft;
- (2) if the aircraft is destroyed, after we have furnished you with a proof of loss; or

- (3) if you have permanently replaced your damaged aircraft.

You must provide us with invoices for all covered extra expense within 90 days from the date incurred by you.

12. Premises Extension

Under PART THREE - LIABILITY TO OTHERS - Paragraph 1 "What We Cover" is extended to include damage you are legally required to pay for bodily injury or property damage caused by an occurrence arising out of your legal use of premises at an airport. Premises means the portion of an airport used for the immediate parking, tiedown or storage of your aircraft.

13. Use of Another Aircraft

Under PART FIVE - SPECIAL PROVISIONS AND CONDITIONS - we will:

- a. provide the coverage shown in Paragraph 3 "Use of Another Aircraft" if you fly another aircraft;
- b. under Paragraph 3 "Use of Another Aircraft", pay for physical loss of or damage to other aircraft for which you are legally responsible. The most we will pay is the cost to repair or replace the other aircraft, not to exceed its fair market value or 125% of the highest aircraft agreed value shown on Item 5 of the Coverage Identification Page, whichever is less. You must first pay or bear the highest in motion deductible for an aircraft shown in Item 5 of the Coverage Identification Page.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement is issued by U.S. Specialty Insurance Company

Policy number: GA00182667-01
Endorsement number:
Issued to (first Named Insured): MI Co. Square Inc. dba Tri-Star Systems and James H. Coughlan Jr.
Effective: 03/01/2015
For: premium of \$

(if no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WAIVER OF OUR RIGHT OF RECOVERY (LIMITED)

Our Right of Recovery is stated in Paragraph 11 of PART ONE - GENERAL PROVISIONS AND CONDITIONS.

For any payment we make under PART TWO - AIRCRAFT PHYSICAL DAMAGE, we agree to waive our Right of Recovery from:

Oklaloosa County

Attn: David Miner, 602- C North Pearl Street, Crestview, FL 32536

Nevertheless, we will not waive our Right of Recovery for loss or damage to **your aircraft** arising out of work performed by or on behalf of **anyone** named above, or arising out of materials, parts or equipment furnished by or on behalf of **anyone** named above.

This endorsement applies to all **aircraft** covered by **your** policy unless the following information is completed.

This endorsement applies only to the following **aircraft**:

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER OR EXTEND ANY OF THE TERMS, CONDITIONS OR AGREEMENTS OF THE POLICY OTHER THAN AS STATED ABOVE.

L 0330

FOLLOW-UP

8/1

RECEIVED APR 08 2013

4-3-13

KRC

**CONTRACT & LEASE
INTERNAL COORDINATION SHEET**

Contract/Lease Number: LO8-0330-AP Tracking Number: 580-13
 Contractor/Lessee Name: James Coughlan EXP: 5-31-13
 Purpose: Renewal of Lease
 Date/Term: 5-31-33 GREATER THAN \$10,000
 Amount: \$4,125.00 a year plus tax. \$10,000 OR LESS
 Department: Airports Dept. Monitor Name: David Miner

Purchasing Review

Procurement requirements are met:

[Signature]
 Contracts/Lease Coordinator

Date: 4/5/13

Risk Management Review

Approved as written:

[Signature]
 Risk Management Director

Date: 4/8/13

County Attorney Review

Approved as written:

[Signature]
 County Attorney

Date: 4/12/13

Following Okaloosa County Board of County Commissioners approval:

Contract & Grant Review

Document has been appropriately reviewed and is executable:

 Contracts & Grants Manager

Date: _____

LEASE FOR HANGAR SPACE RENEWAL

BETWEEN

BOARD OF COUNTY COMMISSIONERS
OKALOOSA COUNTY, FLORIDA

AND

JAMES COUGHLAN

You have exercised your option to renew your lease for an additional twenty years. This LEASE FOR HANGAR SPACE, fully executed this 23rd day of December, 2013, by and between the COUNTY OF OKALOOSA, a political subdivision of the State of Florida, acting by and through its BOARD OF COUNTY COMMISSIONERS (hereinafter called "COUNTY") and JAMES COUGHLAN (hereinafter called "LESSEE").

WITNESSETH:

COUNTY hereby lets to LESSEE and LESSEE hereby hires and takes from COUNTY at the Destin/Ft. Walton Beach Airport in the County of Okaloosa, State of Florida (hereinafter referred to as "AIRPORT"), that certain location designated as Block 6 Lot 4 as shown on file in the office of the Airports Director, which is hereby incorporated herein by reference, and COUNTY hereby gives to LESSEE permission to occupy and maintain one (1) hangar for the storage of individually-owned/corporate-owned aircraft at the aforesaid location. Additional aircraft may be stored in the hangar with proper notice to the COUNTY provided that proof of required insurance coverage is provided to the COUNTY.

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

SECTION 1: TERM

This LEASE renewal shall be for a term of TWENTY (20) years and shall take effect on June 1, 2013 and end on May 31, 2033.

SECTION 2: AIRCRAFT OWNERSHIP

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

**LEASE # L08-0330-AP
COUGHLAN, JAMES
DAP /BLOCK 6 LOT 4
EXPIRES:05/31/2033**

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

SECTION 3: IMPROVEMENTS TO COUNTY

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

SECTION 4: BUILDING, ALTERATIONS, AND PERMITS

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

SECTION 5: RENTALS

a. GROUND LEASE:

LESSEE shall pay in advance an annual ground lease fee established by an independent appraisal. The fee shall be adjusted annually in accordance with Section 6. The ground lease and applicable sales tax will be billed annually, in advance, and is payable to the Airports Director, Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida, 32542-1498. The lease includes TWO THOUSAND SEVEN HUNDRED SEVENTY THREE (2,773) square feet at ONE DOLLAR FIFTY CENTS (\$1.50) cents per square foot per year for a total annual cost of FOUR THOUSAND ONE HUNDRED FIFTY NINE DOLLARS AND FIFTY CENTS (\$4,159.50) plus tax.

b. LATE CHARGES:

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

SECTION 6: ESCALATION CLAUSE:

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

SECTION 7: UTILITIES

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

SECTION 8: RIGHTS OF LESSOR

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

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

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

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

SECTION 9: COMPLIANCE WITH GOVERNMENTAL PROCEDURES

LESSEE shall conform to all the requirements of applicable State and Federal statutes and regulations and all County Ordinances and regulations, and shall secure such permits and licenses as may be duly required by any such laws, ordinances, or regulations as may be

promulgated by COUNTY. In addition, Lessee shall comply with all policies, rules, regulations, or ordinances of the County, which are currently, or may be hereinafter adopted relating to County owned airport facilities.

SECTION 10: CARE OF LEASED PREMISES

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

SECTION 11: MAINTENANCE IN LEASED PREMISES

LESSEE shall insure that all aircraft maintenance performed in the leased premises is in accordance with Federal Aviation Regulations (FAR's).

SECTION 12: TAXES

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

SECTION 13: ASSIGNMENT AND SUBLEASE

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

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

SECTION 14: INSPECTION ON ASSIGNMENT

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

SECTION 15: RISK OF LOSS OR DAMAGE TO HANGAR

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

SECTION 16: RIGHTS OF ENTRY RESERVED

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

SECTION 17: INSURANCE

a. LIABILITY:

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

b. PROPERTY:

The 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.

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.

LESSOR shall be listed as a joint loss payee with LESSEE on all property insurance policies unless LESSEE is required, under the terms of any mortgage or other security agreement, to name the lender therein as primary loss payee under such coverage. In the event the LESSOR, shall be named as second loss payee and other loss payee be subsequent to that.

c. All aircraft liability and public liability coverage shall be endorsed to include Okaloosa County as Additional Insured. In addition, all insurance policies shall contain a clause that the insurer will not cancel or change the insurance without first giving the COUNTY thirty (30) days prior written notice. Prior to occupying the Leased Premises

and annually upon renewal, LESSEE shall furnish COUNTY a Certificate of Insurance evidencing all required insurance. The Certificate(s) of Insurance shall be delivered to the Contracts and Lease Coordinator, 602-C N. Pearl Street, Crestview, FL 32536. On request, LESSEE shall deliver an exact copy of the policy or policies including all endorsements.

SECTION 18: NOTICES

Any and all notices to be given under this LEASE may be served by enclosing the same in a sealed envelope and directed to the other party at its address and deposited in the mail as first class mail with postage therein paid. When so given, such notice shall be effective from the date of mailing. Unless otherwise provided in writing by the parties hereto, the address of the AIRPORT DIRECTOR is as follows: Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida 32542-1498. The address of the LESSEE is: James Coughlan, P.O. Box 7, Morrow, GA 30260.

SECTION 19: HOLD HARMLESS

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

SECTION 20: BINDING NATURE OF LEASE

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

SECTION 21: PROHIBITED ACTIVITY

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

SECTION 22: COMMERCIAL ACTIVITY PROHIBITED

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

SECTION 23: RESTRICTIONS ON MECHANIC'S LIENS

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

would give rise to the filing of any lien against the demised premises or any part thereof. Such liens are hereby strictly prohibited

SECTION 24: TERMINATION BY LESSOR

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

SECTION 25: NON-DISCRIMINATION

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

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

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

SECTION 26: PLACE OF PAYMENTS

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

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

SECTION 27: CONSTRUCTION AND APPLICATION OF TERMS

The section and paragraph headings in this LEASE are inserted only as a matter of convenience and for reference, and in no way define, limit, or describe the scope or intent of any portion hereof. The parties have participated jointly in the negotiation and drafting

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

SECTION 28: LEGAL DESCRIPTION

Block 6 Lot 4: Commence at the Northeasternmost corner of Lot 35, Block A, Harbor Breeze Second Addition, as recorded in Plat Book 16, Page 30, Public Records of Okaloosa County, Florida; Thence S.38°00'00"E. (Basis of Bearings) along the East line of said Block A for a distance of 138.95 feet; Thence departing said East line proceed N.52°00'00"E. for a distance of 48.50 feet to the Point of Beginning; Thence N.38°00'00"W. for a distance of 50.43 feet; Thence N.52°00'00"E. for a distance of 55.00 feet; Thence S.38°00'00"E. for a distance of 50.43 feet; Thence S.52°00'00"W. for a distance of 55.00 feet to the Point of Beginning. Parcel described contains 2,773 square feet or 0.063 acres.

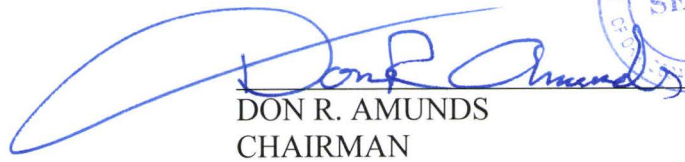
SECTION 29: ENTIRE LEASE

This LEASE consists of the following: Sections 1 to 29. It constitutes the entire LEASE of the parties on the subject matter hereof and may not be changed, modified, discharged, or extended except by written instrument duly executed by COUNTY and LESSEE.

(The remainder of this page intentionally left blank)


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

BOARD OF COUNTY COMMISSIONERS
OKALOOSA COUNTY, FLORIDA


DON R. AMUNDS
CHAIRMAN

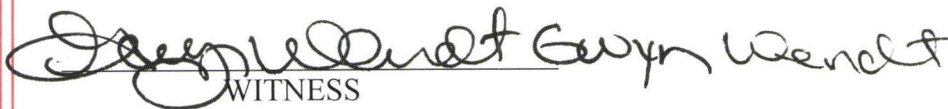


ATTEST:


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




JAMES COUGHLAN


WITNESS

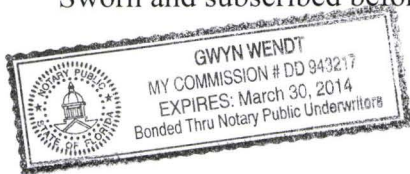

WITNESS

ACKNOWLEDGMENTS

STATE OF Florida
COUNTY OF Okaloosa

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

Sworn and subscribed before me this 26 day of August, 2013, AD.



Gwyn Wendt
NOTARY

My Commission expires: _____



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
08/09/13

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

AGENCY Hardy Aviation Insurance, Inc. P O Box 12010 Wichita, KS 67277-2010		PHONE (A/C, No, Ext): (316) 945-6733	COMPANY Preferred Aviation Underwriters through Lexington Insurance Company 100 Summer Street Boston, MA 02110	
FAX (A/C, No): (316) 945-2330	E-MAIL ADDRESS: hardy@hardyaviationins.com			
CODE:	SUB CODE:			
AGENCY CUSTOMER ID #: INSURED MICO Square, Inc., dba Tri-Star Systems 513 Norriego Road Destin FL 31541		LOAN NUMBER	POLICY NUMBER 41-LX-019907178-0	
		EFFECTIVE DATE 08/05/13	EXPIRATION DATE 08/05/14	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:				

PROPERTY INFORMATION

LOCATION/DESCRIPTION Lot 4, Block 6, Destin-Fort Walton Beach Airport (KDTs)

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Airport Hangar	\$58,800.00	\$1,000.00

REMARKS (Including Special Conditions)

--

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW _____ DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Okaloosa County Attn: David Miner 602 - C North Pearl Street Crestview, FL 32536	MORTGAGEE	<input checked="" type="checkbox"/>	ADDITIONAL INSURED
	LOSS PAYEE	<input type="checkbox"/>	
	LOAN #		
AUTHORIZED REPRESENTATIVE James R. Hardy, President <i>James R. Hardy</i>			

CHARTIS AEROSPACE INSURANCE SERVICES, INC.

CERTIFICATE OF INSURANCE

THIS IS TO CERTIFY TO: OKALOOSA COUNTY
602 - C NORTH PEARL STREET
CRESTVIEW, FL 32536

THAT THE FOLLOWING POLICY/IES OF INSURANCE HAVE BEEN ISSUED TO:
MI CO SQUARE, INC. and DBA TRISTAR SYSTEMS
513 NORRIEGO ROAD
DESTIN, FL 32541-3011,

POLICY NO. LA 000203070-11
POLICY PERIOD: From March 1, 2013 to March 1, 2014
INSURANCE COMPANY NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

Coverage only applies as indicated by a specific limit and deductible.

Limits of Liability

- | | |
|---|---|
| A. Aircraft Liability Single Limit for Bodily Injury and Property Damage <u>In</u> cluding Passengers , but Passenger Bodily Injury Limited within the Single Limit to | \$ <u>1,000,000.</u> each occurrence |
| B. Medical Expense <u>In</u> cluding crew | \$ <u>100,000.</u> each passenger |
| C. Physical Damage to Your Aircraft | \$ <u>5,000.</u> each passenger |

Deductibles

ID Number	Year	Make and Model	Agreed Value	Not-in-Motion	Not-in-Flight	Flight
N896SJ	1996	PIPER PA 46 MALIBU/MIRAGE	\$ 450,000.	\$ 0.	\$ 0.	\$ 0.
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$
			\$	\$	\$	\$

THIS CERTIFICATE HOLDER IS:

- included as additional insured as respects liability coverage but coverage only applies after all other coverage available to the additional insured has been exhausted;
- included as additional insured as respects liability coverage but coverage only applies with respect to the vicarious responsibility of the additional insured for the operation of the aircraft by the Named Insured, including any interest in the aircraft as owner/lessor;
- included as additional insured as respects liability coverage but coverage does not apply to any occurrence arising from the design, manufacture, modification, repair, sale, or servicing of insured aircraft other than ground handling.

30 days notice of cancellation

The **Aviation Managers** have made provision to give the certificate holder prompt notice of cancellation of any policy above. But, 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.

Certificate No. 11601360-18

Date of Issue August 20, 2013

By 
(Authorized Representative)

LAD30 (3/00)



EVIDENCE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
11/25/13

THIS IS EVIDENCE THAT INSURANCE AS IDENTIFIED BELOW HAS BEEN ISSUED, IS IN FORCE, AND CONVEYS ALL THE RIGHTS AND PRIVILEGES AFFORDED UNDER THE POLICY.

AGENCY (PHONE (A/C, No., Ext.): (316) 945-6733) Hardy Aviation Insurance, Inc. P O Box 12010 Wichita, KS 67277-2010		COMPANY Preferred Aviation Underwriters through Lexington Insurance Company 100 Summer Street Boston, MA 02110	
FAX (A/C, No.): (316) 945-2330 E-MAIL ADDRESS: hardy@hardyaviationins.com			
CODE: AGENCY CUSTOMER ID#: INSURED		SUB CODE: LOAN NUMBER POLICY NUMBER 41-LX-019907178-0	
MICO Square, Inc., dba Tri-Star Systems 513 Norriego Road Destin, FL 315431		EFFECTIVE DATE 08/05/13	EXPIRATION DATE 08/05/14
		<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED	
THIS REPLACES PRIOR EVIDENCE DATED:			

PROPERTY INFORMATION

LOCATION/DESCRIPTION

Lot 4, Block 6, Destin-Fort Walton Beach Airport (KDTS)

COVERAGE INFORMATION

COVERAGE/PERILS/FORMS	AMOUNT OF INSURANCE	DEDUCTIBLE
Airport Hangar	\$58,800.00	\$1,000.00

REMARKS (Including Special Conditions)

CANCELLATION

THE POLICY IS SUBJECT TO THE PREMIUMS, FORMS, AND RULES IN EFFECT FOR EACH POLICY PERIOD. SHOULD THE POLICY BE TERMINATED, THE COMPANY WILL GIVE THE ADDITIONAL INTEREST IDENTIFIED BELOW 30 DAYS WRITTEN NOTICE, AND WILL SEND NOTIFICATION OF ANY CHANGES TO THE POLICY THAT WOULD AFFECT THAT INTEREST, IN ACCORDANCE WITH THE POLICY PROVISIONS OR AS REQUIRED BY LAW.

ADDITIONAL INTEREST

NAME AND ADDRESS Okaloosa County Attn: David Miner 602 - C North Pearl Street Crestview, FL 32536	<input type="checkbox"/> MORTGAGEE	<input checked="" type="checkbox"/> ADDITIONAL INSURED
	<input checked="" type="checkbox"/> LOSS PAYEE	
LOAN #		
AUTHORIZED REPRESENTATIVE James R. Hardy, President		

James R. Hardy
SHM

Teresa Ward

From: Dave Miner <dminer@co.okaloosa.fl.us>
Sent: Monday, December 16, 2013 4:31 PM
To: Teresa Ward
Cc: Sunil Harman; Gary Real
Subject: FW: Hangar Lease Renewal for Mr. Coughlan

Teresa:

Mr. Dowd and Mr. Real approved Mr. Coughlan's certificate of insurance.

David Miner
Airports Administration

From: John Dowd
Sent: Monday, December 16, 2013 3:35 PM
To: Dave Miner
Subject: RE: Hangar Lease Renewal for Mr. Coughlan

Yes, Sir.

Thanks,

John

From: Dave Miner
Sent: Monday, December 16, 2013 3:30 PM
To: John Dowd
Subject: FW: Hangar Lease Renewal for Mr. Coughlan
Importance: High

Mr. Dowd:

Mr. Real is satisfied with Mr. Coughlan's COI. Is Mr. Coughlan's COI sufficient with you?

David Miner

From: Gary Real
Sent: Monday, December 16, 2013 8:45 AM
To: Dave Miner
Cc: John Dowd; 'Teresa Ward'
Subject: RE: Hangar Lease Renewal for Mr. Coughlan

I am satisfied with the COI.

Gary R. Real
Risk Manager, Okaloosa County Florida
850-689-5979

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: Dave Miner
Sent: Friday, December 13, 2013 1:47 PM
To: John Dowd; Gary Real
Cc: Sunil Harman; Teresa Ward
Subject: FW: Hangar Lease Renewal for Mr. Coughlan
Importance: High

On behalf of Mr. Harman I am checking on this to see if Mr. Coughlan's COI is sufficient.
Please let us know.
Thank you.

From: Dave Miner
Sent: Tuesday, November 26, 2013 9:25 AM
To: John Dowd; Gary Real
Cc: Sunil Harman; 'Teresa Ward'
Subject: Hangar Lease Renewal for Mr. Coughlan

Mr. Dowd / Mr. Real:

Mr. Coughlan's hangar lease renewal was approved by the Board on November 5th contingent upon Mr. Coughlan obtaining insurance stating Okaloosa County is a loss payee.

Please review the attached COI and if the COI is sufficient please let us know so Ms. Ward can have the lease signed.

Thank you.

David E. Miner
Properties and Leases
Okaloosa County Airports
(850) 651-7160 Ext. 4
www.flyvps.com

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

EXHIBIT B

CONTRACT & LEASE AGREEMENT CONTROL FORM

Date: 9/8/2008

Contract/Lease Control #: L08-0330-AP5-156

Bid #: N/A

Contract/Lease Type: REVENUE

Award to/Lessee: JAMES COUGHLAN

Lessor: OKALOOSA COUNTY

Effective Date: 8/29/2008

Amount: \$3505

Term/Expires: 5/31/2013

Description of Contract/Lease: DAP LOT 4/BLOCK 6

Department Manager: AIRPORTS

Department Monitor: G. DONOVAN

Monitor's Telephone #: 651-7160

Monitor's Fax #: 651-7164

Date Closed:

LEASE FOR HANGAR SPACE OPTION

BETWEEN

BOARD OF COUNTY COMMISSIONERS
OKALOOSA COUNTY, FLORIDA

AND

JAMES H. COUGHLIN JR.

This LEASE FOR HANGAR SPACE fully executed this 27th day of August, 2008, by and between the COUNTY OF OKALOOSA, a political subdivision of the State of Florida, acting by and through its BOARD OF COUNTY COMMISSIONERS (hereinafter called "COUNTY") and JAMES H. COUGHLIN JR. (hereinafter called "LESSEE").

WITNESSETH:

COUNTY hereby lets to LESSEE and LESSEE hereby hires and takes from COUNTY at the Destin/Ft. Walton Beach Airport in the County of Okaloosa, State of Florida (hereinafter referred to as "AIRPORT"), that certain location designated as Block 6 Lot 4 as shown on file in the office of the Airports Director, which is hereby incorporated herein by reference, and COUNTY hereby gives to LESSEE permission to occupy and maintain one (1) hangar for the storage of individually-owned/corporate-owned aircraft at the aforesaid location. Additional aircraft may be stored in the hangar with proper notice to the COUNTY provided that proof of required insurance coverage is provided to the COUNTY.

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

SECTION 1: TERM

This LEASE shall have an expiration date of May 31, 2013.

SECTION 2: AIRCRAFT OWNERSHIP

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

L08-0330-AP5-156
LESSEE: JAMES COUGHLAN
DAP BLOCK 6/LOT 4
EXPIRES: 5/31/2013

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

SECTION 3: IMPROVEMENTS TO COUNTY

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

SECTION 4: CONSTRUCTION OF HANGAR

If a new hangar is to be constructed under this lease said hangar must be constructed within ONE (1) year of execution of this LEASE. Failure to comply with this requirement may result in automatic termination of this LEASE without prior written notice by COUNTY. LESSEE shall furnish ONE (1) set of building drawings to COUNTY upon completion of hangar.

SECTION 5: BUILDING, ALTERATIONS, AND PERMITS

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

SECTION 6: RENTALS

a. GROUND LEASE:

LESSEE shall pay in advance an annual ground lease fee established by an independent appraisal. The fee shall be adjusted in accordance with Section 7. The ground lease and applicable sales tax will be billed annually, in advance, and is payable to the Airports Director, Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida, 32542-1498. The lease includes TWO THOUSAND SEVEN HUNDRED FIFTY (2,750) square feet at POINT TWO FIVE FIVE (\$0.255) cents per square foot per year for a total annual cost of SEVEN HUNDRED ONE DOLLARS AND TWENTY FIVE CENTS (\$701.25) plus tax.

b. LATE CHARGES:

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

SECTION 7: ESCALATION CLAUSE:

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

SECTION 8: UTILITIES

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

SECTION 9: RIGHTS OF LESSOR

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

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

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

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

SECTION 10: COMPLIANCE WITH GOVERNMENTAL PROCEDURES

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

SECTION 11: CARE OF LEASED PREMISES

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

SECTION 12: MAINTENANCE IN LEASED PREMISES

LESSEE shall insure that all aircraft maintenance performed in the leased premises is in accordance with Federal Aviation Regulations (FAR's).

SECTION 13: TAXES

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

SECTION 14: ASSIGNMENT AND SUBLEASE

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

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

SECTION 15: INSPECTION ON ASSIGNMENT

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

SECTION 16: RISK OF LOSS OR DAMAGE TO HANGAR

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

SECTION 17: RIGHTS OF ENTRY RESERVED

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

SECTION 18: INSURANCE

a. LIABILITY:

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

b. PROPERTY:

The 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.

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.

Okaloosa County shall be listed as a loss payee on all property insurance policies.

c. All aircraft liability and public liability coverage shall be endorsed to include Okaloosa County as Additional Insured. In addition, all insurance policies shall contain a

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

SECTION 19: NOTICES

Any and all notices to be given under this LEASE may be served by enclosing the same in a sealed envelope and directed to the other party at its address and deposited in the mail as first class mail with postage therein paid. When so given, such notice shall be effective from the date of mailing. Unless otherwise provided in writing by the parties hereto, the address of the AIRPORT DIRECTOR is as follows: Okaloosa County Airports, 1701 Highway 85 North, Eglin Air Force Base, Florida 32542-1413. The address of the LESSEE is: James H. Coughlin Jr., 513 Norriego, Destin, FL 32540.

SECTION 20: HOLD HARMLESS

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

SECTION 21: BINDING NATURE OF LEASE

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

SECTION 22: PROHIBITED ACTIVITY

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

SECTION 23: COMMERCIAL ACTIVITY PROHIBITED

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

SECTION 24: RESTRICTIONS ON MECHANIC'S LIENS

Nothing in this lease shall be deemed or construed in any way as constituting the consent or request of COUNTY, express or implied, by inference or otherwise, to any contractor, sub-contractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the demised

premises or any part thereof, nor as giving LESSEE and right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the demised premises or any part thereof. Such liens are hereby strictly prohibited

SECTION 25: TERMINATION BY LESSOR

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

SECTION 26: NON-DISCRIMINATION

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

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

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

SECTION 27: PLACE OF PAYMENTS

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

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

SECTION 28: CONSTRUCTION AND APPLICATION OF TERMS

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

SECTION 29: LEGAL DESCRIPTION

Contains 2,750 square feet more or less.

SECTION 30: RENEWAL OF LEASE

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

a. OPTION TERM:

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

b. RENT:

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

c. NOTICE:

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

SECTION 31: ENTIRE LEASE

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

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

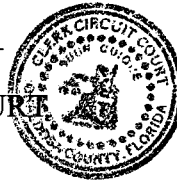
BOARD OF COUNTY COMMISSIONERS
OKALOOSA COUNTY, FLORIDA

Bill Campbell
JAMES CAMPBELL
CHAIRMAN



ATTEST:

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



James H. Coughlin, Jr.
JAMES H. COUGHLIN, JR.

Sharon Wise
WITNESS

Kyzzella Bayfield
WITNESS

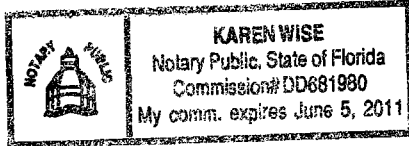
ACKNOWLEDGMENTS

STATE OF FLORIDA
COUNTY OF OKALOOSA

AD file

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

Sworn and subscribed before me this 3 day of Sept, 2008, AD.



Karen Wise
NOTARY

My Commission expires: June 5, 2011