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Rm 131

CORPORATE HANGAR LEASE AGREEMENT

THIS IS A LEASE AGREEMENT dated as of 24th day of September 2013 between **Hernando County**, a political subdivision of the State of Florida (the "**Lessor**" or the "**County**") whose address is 20 North Main Street, Room 460, Brooksville, Florida 34601 and **Pem-Air, LLC** (the "**Lessee**") whose address is 5921 SW 44th Ct., Davie, FL, 33314.

WHEREAS, the Hernando County Airport (the "Airport") is subject to the requirements of various federal laws and regulations including, without limitation, the Surplus Property Act of 1944, as amended, the Federal Property and Administrative Services Act of 1949, as amended, and the rules and orders promulgated by the Federal Aviation Administration (the FAA); and.

WHEREAS, FAA Compliance Order No. 5190.6A, including but not limited to Chapter 4 thereof, require that surplus property airports (which includes the Airport herein) generate revenue, income or its functional equivalent to the airport; and.

WHEREAS, pursuant to a directive of Congress, as a surplus airport property, the Airport is subject to compliance review by the FAA and the United States Department of Transportation Inspector General Office; and.

WHEREAS, FAA Compliance regulations require that use of Surplus Airport Property be authorized by a written instrument providing for payment of fair, reasonable and non-discriminatory fees, rentals or other user charges; and.

WHEREAS, all leases at the Airport are further governed by Chapter 3 of the Hernando County Code of Ordinances.

NOW THEREFORE, the **Lessor** and the **Lessee** hereby agree as follows:

The above recitals are incorporated herein and made a part hereof.

SECTION 1 - PREMISES

1.A.1. The **Lessor** hereby leases the real property with a street address of 16300 Flight Path Drive, Brooksville, FL, 34604 to include aircraft parking space as governed by the "Licensing Agreement" as described on Exhibit B.

1.A.2. The **Lessor** will lease a building containing approximately 10,000 square feet of interior floor space together with certain improvements as more fully described on Exhibit A attached hereto and made a part hereof (collectively the "Improvements"). The Improvements were constructed in accordance with all applicable building codes and standards in effect at the time of construction.

SECTION 2 - LEASE TERM

2.A. This Agreement shall be effective upon the last date signed by the **Lessor** and the **Lessee** (the "Effective Date"). The lease term for the Premises shall commence on the _ day of, 2013, and shall end on the anniversary date two (2) years hence (the "Anniversary Date"). unless renewed pursuant to **Section 2.B** below.

2.B. The **Lessee** shall have the option, upon giving written notice to the **Lessor** not less than three months prior to the Anniversary Date, to renew this Agreement for two (2) additional three (3) year terms, provided the **Lessee** has complied with all the terms and conditions of this Agreement and is not in default hereunder. Upon renewal, the facility rent shall not increase more than 3% per year during the during the additional three year terms. Additionally, the **Lessor** and the **Lessee** further reserve the right to renegotiate any and all other terms and conditions herein at time of renewal. The parties further acknowledge that any subsequent renewal of this Agreement will be subject to all then current rules, regulations, and restrictions affecting the Hernando County Airport (the "Airport").

SECTION 3 - SECURITY DEPOSIT

3.A. The **Lessee** shall deposit with the **Lessor** the sum of Six Thousand, Five Hundred dollars (\$6,500.00) (the "Security Deposit") no later than ten (10) days prior to this Agreement being presented to the Hernando County Board of County Commissioners for execution, said amount shall be held by the **Lessor** as security for the steadfast performance by the **Lessee** of all the terms, covenants, and conditions of this Agreement during the term hereof.

3.B. If the **Lessee** defaults with respect to any provision of this Agreement, including but not limited to the payment of any rent, the **Lessor** may, but shall not be obligated to, apply or retain all or any portion of said Security Deposit for the payment of any amount due the **Lessor** or to reimburse or compensate the **Lessor** for any liability, cost, defense, loss or damage which the **Lessor** may suffer or incur by reason thereof.

3.C. The **Lessor** shall promptly, at the expiration or earlier termination of the term hereof and after the **Lessee** has vacated the Premises, return to the **Lessee** that portion of the Security Deposit not used or applied by the **Lessor**. Said Security Deposit shall not accrue interest to the **Lessee**.

SECTION 4 - RENT

4.A. Rent shall be as set forth below:

4.A.1. For rental year one (1), the **Lessee** shall pay to the **Lessor** an annual sum of Forty Thousand dollars(\$40,000.00) for the Premises; such rental shall be paid in monthly installments of Three Thousand Three Hundred, Thirty-Three dollars (\$3,333.00). The first

rental payment shall be due and payable upon commencement of this Lease in accordance with **Section 2.A.**

4.A.2. For rental year two (2), the annual rent for the Premises shall be Forty – One Thousand, and Eighty dollars (\$41,000.00), payable in equal monthly installments.

4.A.3. In the event of any renewals pursuant to **Section 2.B.** the rent shall not increase more than 3% per year.

4.B. Rent shall be due monthly (1/12th of the annual Minimum Rent) and shall be due and payable on the first day of each month. A ten percent (10%) penalty will be applied to all rents received after 5:00 p.m. on the tenth (10th) day of the month. The **Lessee** is separately responsible for all applicable taxes, sales tax, late fees, special assessments, etc.

4.C. The acceptance by the **Lessor** of any payment from the **Lessee** in an amount less than that which is due shall in no way affect **Lessor's** rights under this Lease and shall in no way constitute an accord and satisfaction, waiver, or estoppel upon the **Lessor**.

SECTION 5 - USE OF PREMISES

5.A. The **Lessee** shall use the Premises for the storage of **Lessee**-owned aircraft and or third party-owned aircraft and related support equipment. Additionally, Lessee shall conduct aircraft/equipment repair and maintenance on the Premises. No other use shall be permitted without the prior written consent of the **Lessor**.

5.B. The **Lessee** shall comply with all present and future laws, ordinances, orders, rules and regulations or zoning classifications of any lawful governmental authority, agency or other public or private regulatory authority having jurisdiction over the Premises or the operation thereof.

5.C. The **Lessee** shall not commit or permit any act to be committed in or about the Premises which results in any damage of the Premises, damages Airport property or harms others, or in any way constitutes a nuisance or interferes with the rights of other Airport tenants.

5.D. The **Lessee** shall comply with all federal, state and local requirements concerning the disposition of sump drained fuel. The **Lessee** is responsible should any fine, penalty or judgment be handed down to the **Lessor** as a result of the **Lessee's** actions.

5.E. As used herein, the term "hazardous material" shall mean any hazardous or toxic substance, material or waste (including, without limitation, asbestos) which, now or in the future, is determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property and/or the use and/or disposal of which is regulated by any governmental authority. The **Lessee** shall not cause or permit any hazardous material to be brought upon, kept or used in or about the Premises by the **Lessee**, its sub-tenants, agents, employees, contractors or invitees, unless permitted by, and used or stored in accordance with,

any required permits and applicable laws. If the **Lessee** breaches its obligations, as herein above set forth, the **Lessor**, at its election, shall have the right to (1) terminate this Agreement, or (2) cause the **Lessee** to remove and properly dispose of the hazardous material, all at the **Lessee's** sole cost and expense and in compliance with a removal and disposal plan in conformity with applicable laws and subject to the prior approval of the **Lessor**, or (3) perform the removal and disposal thereof itself, in which event the **Lessee** shall reimburse the **Lessor**, on demand, for the cost incurred by the **Lessor** in doing so and in securing any certifications deemed necessary or desirable by the **Lessor**.

SECTION 6 - UTILITIES, CONNECTIONS, FEES AND SERVICES

6. The **Lessee** shall pay for all water, gas, heat, electricity, light, power, sewer charges, fire protection fees, telephone service, and all other services and utilities supplied or provided to the Premises. The **Lessee** shall further pay for all connection charges and deposits in connection with such utility services.

SECTION 7 - DELIVERY OF POSSESSION

7. The **Lessee** hereby acknowledges it has had adequate opportunity to inspect the proposed Premises and will lease the Premises at the location depicted by Exhibit A Except as provided herein, the **Lessor** makes no warranty or representation to the **Lessee**, and the **Lessee** agrees the **Lessor** has made no representation, respecting the condition of the Premises, or applicable zoning laws and regulations. The taking of possession of the Premises by the **Lessee** shall be conclusive evidence against the **Lessee** that the Premises were in good and satisfactory condition when possession was so taken.

SECTION 8 - INSURANCE

8.A. At all times while this Agreement remains in force, the **Lessor** agrees to maintain fire and casualty insurance on the improvements located on the Premises in such amount deemed acceptable to **Lessor**; however, the **Lessee** shall reimburse the **Lessor** its cost of said casualty insurance for such policy pertaining to the Premises or in such pro rata share if coverage is provided under a master or umbrella policy. The **Lessee** agrees to pay the **Lessor** such amount within thirty (30) days of receipt of invoice from the **Lessor**.

8.B. At all times while this Agreement remains in force, the **Lessee**, at the **Lessee's** sole expense, shall maintain the following insurance with a Best's rating of 'A' or better:

8.B.1. Workers Compensation/Employer's Liability. The minimum limits of insurance (inclusive of any amount provided by an umbrella or excess policy) shall be as required by law.

8.B.2. Liability. At all times while this Agreement remains in force, the **Lessee**, at the **Lessee's** sole expense, shall maintain with respect to the Premises, primary insurance coverage in an amount not less than One Million Dollars (\$1,000,000) in general liability
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insurance (per occurrence) and Two Million Dollars (\$2,000,000) (general aggregate) as per the 2012 Insurance Requirements established by the County. On addition, the **Lessee**, at the **Lessee's** sole expense, shall provide Products/Completed Operations liability insurance in an amount not less One Million Dollars (\$1,000,000) (per occurrence) and Two Million Dollars (\$2,000,000) (general aggregate) and Hangarkeepers Legal Liability in an amount not less One Million Dollars (\$1,000,000) (each aircraft/each occurrence). The **Lessee** shall endorse "Hernando County Board of County Commissioners" as an additional insured on the General Liability Insurance policy. All insurance shall have a Best's Rating of "A" or better. Insurance Certificates shall be provided to the Airport Manager prior to any use or occupation of the premises. Notwithstanding the foregoing, the parties agree that the existence of insurance is not intended to relieve the **Lessee**, its employees or agents of any duty as may be imposed under this Agreement or under applicable law. Notwithstanding the minimum insurance requirements above, the Airport Manager is authorized to reduce the general aggregate insurance limit to One Million Dollars when Umbrella Liability insurance is provided, or such other reduction as approved with the concurrence of the County Administrator.

Reduction Sought. Type/Reason: _____
Approval: _____ (Airport Manager Initials)
Approval _____ (County Administrator)

8.B.3. Auto Liability. Coverage shall be provide for all tagged vehicles. The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this Agreement shall be \$500,000.

8.C. The **Lessee** shall deliver to the **Lessor** certificates or binders evidencing the existence of the insurance upon execution of this Agreement and shall be obligated to provide evidence of continuing coverage throughout the term of this Agreement. The insurance binder shall provide that the insurance carrier shall notify the **Lessor** twenty (20) days prior to the date of expiration of coverage thereunder. The **Lessee** shall notify the **Lessor** in writing a minimum of twenty (20) days in advance in the event of future insurability cancellation.

8.D. Failure to maintain required insurance and to provide continuing evidence of insurance to the **Lessor** is a material breach of this Agreement and shall be grounds for the **Lessor** to take immediate action to evict the **Lessee** pursuant to applicable law. In addition to any other remedies available to the **Lessor** under this Agreement or applicable law, lapse of insurance coverage required herein on leasehold improvements and/or for liability shall subject the **Lessee** to a penalty of five hundred dollars (\$500.00) to be added to the amount of rent due for the first rental period after notice to the **Lessor** of such lapse.

SECTION 9 - INDEMNIFICATION

9.A. The **Lessee** shall indemnify, defend, and save the **Lessor** harmless against any and all claims, suits, demands, actions, fines, damages, and liabilities, and all cost and expenses thereof arising out of injury to persons (including death) or property occurring in, on or about, or arising out of the Premises if caused or occasioned wholly or in part by any acts or omissions of

the **Lessee**, its agents, contractors, subcontractors, employees, subtenants or invitees. In any litigation arising from this Agreement, the parties to such litigation shall bear their own attorney's fees, costs and other expenses. Further, the **Lessee** shall give the **Lessor** immediate written notice of any such happening causing injury to persons or property.

9.B. The **Lessor** shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, or leaks from the Premises or from pipes, appliances, plumbing works, roof, street, subsurface or from any other place or by dampness or by any other cause of whatever nature. The **Lessor** shall not be liable for any damage caused by other tenants or persons in the Premises, occupants of adjacent property, the public, or such damage caused by operations in construction of any public or private work.

9.C. All property of the **Lessee** or any others kept or stored on the Premises shall be so kept or stored at the risk of the **Lessee** only and the **Lessee** shall hold the **Lessor** harmless from any claims arising out of the damage to the same. Without limiting the provisions of this paragraph, the **Lessor** shall not be liable for any damage to fixtures, merchandise, property of whatever kind of the **Lessee**, caused by fire or any other insurable hazard regardless of the nature or cause and including, non-exclusively, fire, wind, flood, water-damage, Acts of God, disasters, war, acts of terrorism, and aviation accidents, and the **Lessee** does hereby expressly release the **Lessor** from all liability for such, damage of all items covered in this paragraph.

9.D. The parties agree that the damages for any tort claim or action are limited to actual damages, incidental damages, costs, and case expenses. In no event shall the Parties be liable for consequential, special, indirect, punitive or exemplary damages, costs, expenses, or loses (including, without limitation, lost profits and opportunity costs).

SECTION 10 - PROTECTION AGAINST LIENS

10. The **Lessee** shall keep the Premises free from any and all liens arising out of any work performed, materials furnished or obligations incurred by the **Lessee**. In the event the **Lessee** fails to discharge any such lien within fifteen (15) days following written notice and demand by the **Lessor** for removal of such lien, the **Lessor**, in addition to all remedies provided herein and by law or in equity, has the right but not the obligation to discharge the lien by means of bond or posting security. If the **Lessor** acts to discharge or secure any lien caused by the **Lessee**, then the **Lessee** shall reimburse the **Lessor** on demand, as additional rent, for all sums paid and all costs and expenses incurred by the **Lessor** involving such lien together with interest on the total expenses and costs at the maximum rate allowed by law.

SECTION 11 - COMMON AREAS

11. The **Lessor** agrees that the **Lessee**, shall have the right throughout the term of this Agreement, running from the Effective Date herein, to use, in common with others entitled to similar use thereof, all of the common use areas of the Airport that may from time to time be constructed or maintained, including but not limited to all taxi lanes, service drives and sidewalks for ingress and egress to and from the Premises and all parking areas provided by the Corporate Hangar Lease with Pem-Air, LLC

Lessor. The **Lessor** shall adequately maintain all such common areas in good, usable condition throughout the term of this Agreement. The **Lessor** may temporarily close the common areas in order to make any necessary repairs. The **Lessor** reserves the right, in its sole discretion, to modify, alter, remove, reduce, redesign or to make changes, additions, alterations, improvements or installments in or to the common areas or any portion thereof; provided, however, that no obstruction of the **Lessee's** right of reasonable access to the Premises shall be caused by any of the above changes.

SECTION 12 - SIGNS

12.A. No signs will be installed on the exterior of the building without prior written consent of the Airport Manager and in compliance with the Hernando County Sign Regulations.

SECTION 13 - ALTERATIONS BY LESSEE

13.A. The **Lessee** shall make no structural changes respecting the Premises except by and with the prior written consent of the **Lessor**, which consent shall be in **Lessor's** sole discretion. Any written request by the **Lessee** to the **Lessor** to make any alterations, additions or improvements shall in each instance be accompanied by plans and specifications for such alterations (the "Alterations") in such detail as the **Lessor** may reasonably require. All Alterations to the Premises shall be made or installed in accordance with applicable laws and codes. **Lessor's** approval of the plans for any alterations, additions or improvements to be constructed by the **Lessee** shall in no event create any responsibility or liability on the part of the **Lessor** for their completeness, design sufficiency or compliance with any and all applicable laws, rules and regulations of any governmental authorities.

13.B. All Alterations, including, without limitation: partitions; walls; railings; carpeting; floor and wall coverings; and other fixtures (excluding, however, the **Lessee's** trade fixtures as described in the Section entitled "Trade Fixtures and Equipment" herein), shall, when made or installed, at once become the property of the **Lessor** and shall remain for the benefit of the **Lessor** at the expiration date or earlier termination of this Agreement, in as good order and condition as they were when made or installed, reasonable wear and tear excepted.

13.C. In the event of making such Alterations as herein provided, the **Lessee** shall indemnify and save harmless the **Lessor** from all expenses, liens, claims or damages to either persons or property arising out of or resulting from the undertaking or making of such Alterations. The **Lessor**, as a condition of approving any Alterations, may require the **Lessee** to remove any alterations and to restore the Premises to its original condition, ordinary wear and tear excepted.

SECTION 14 - MAINTENANCE OF PREMISES

14.A. The **Lessor** shall keep and maintain the roof over the Premises and the structural portions of the Premises in good order, condition and repair. In the event any damage thereto shall have been caused by any act or negligence of the **Lessee**, its employees, agents, invitees or

contractors, then such damage shall be repaired by the **Lessee** to the reasonable satisfaction of the **Lessor**.

14.B. At all times while this Agreement remains in force, the **Lessee** shall keep and maintain in good order, condition and repair the Premises and every part thereof, including, without limitation: the interior walls; floors and ceilings; the exterior and interior portions of all doors, windows, glass, security gates, landscaping, utility facilities, plumbing and sewage facilities within the Premises or under the floor slab, fixtures, heating, air-conditioning including exterior mechanical equipment, and interior and exterior electrical equipment serving the Premises, including compliance with all applicable building codes.

SECTION 15 - TRADE FIXTURES AND EQUIPMENT

15. Provided the **Lessee** is not in default under this Agreement, any trade fixtures installed in the Premises, at the **Lessee's** sole expense, shall remain the **Lessee's** personal property and the **Lessee** shall have the right at any time during the term of this Agreement to remove such trade fixtures. Upon removal of any trade fixtures, the **Lessee** shall immediately restore the Premises to substantially the same condition as they were when received by the **Lessee**, ordinary wear and tear excepted. Any trade fixtures not removed at termination or end of this Agreement become, at **Lessor's** sole election, the property of the **Lessor**.

SECTION 16 - COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

16. The **Lessee** will use the Premises and conduct or allow any activities upon the Premises only in compliance with all applicable laws and governmental regulations, together with those regulations generally applicable to Airport tenants as adopted from time to time by the Aviation Authority and the County after due public notice and hearing.

SECTION 17 - AIRPORT MATTERS

17. This Agreement is subordinate to the provisions of the deed and other instruments from the United States of America conveying title to the Airport or otherwise imposing restrictions of record concerning use and operation of the Airport. This Agreement is further governed by all rules, regulations, and orders of the Federal Aviation Administration, including but not limited to Compliance Order 5190.6A, as amended from time to time, relative to the operation of surplus airport property (which includes the Airport herein).

SECTION 18 - EXCLUSIVE RIGHTS

18. Notwithstanding any other provision of this Agreement, it is expressly understood and agreed that the rights granted under this Lease are non-exclusive and the **Lessor** herein reserves the right to grant similar privileges, licenses or use to another operator(s), tenant(s) and/or licensee(s) in other portion(s) of the Airport property.

SECTION 19 - NON-DISCRIMINATION

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19. The **Lessee** for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof does hereby covenant and agree that in the event facilities are constructed, maintained or otherwise operated on said property described in this Agreement for a purpose which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the **Lessee** shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended or renumbered.

SECTION 20 - STANDARD PROTECTION CLAUSES

20.A. The **Lessor** reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property herein described together with the right to cause in said airspace such noise as may be inherent in the operation 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 at the Hernando County Airport.

20.B. The **Lessee** expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the herein described real property to such a height so as to comply with Federal Aviation Regulations, Part 77, as said regulations may be amended.

20.C. The **Lessee** expressly agrees for itself, its successors and assigns, to prevent any use of the herein described real property which would interfere with or adversely affect the operation or maintenance of the airport or the air traffic there over, or otherwise constitute an airport hazard.

SECTION 21 - COVENANTS

21.A. As a part of the consideration for this lease, the **Lessee** covenants and agrees:

21.A.1. To further pay or discharge all taxes, assessments, penalties, charges, rates, or liens of any nature whatsoever which may for the period following the effective date of this lease be levied, assessed, charged, imposed, or claimed on or against said Premises or any improvements or fixtures thereon or appurtenances thereto, or any part thereof, or against the Owner or Owners of said land or the improvements, by reason of said ownership, by whatsoever authority levied, assessed, charged, imposed, claimed, and whether the same be on or against the property herein leased, its improvements, fixtures, or appurtenances, or any part thereof, or on or against the income from said land or its improvements, it being the intention of the parties to this lease that the rents herein reserved shall constitute a net income to the **Lessor** from said land herein leased, equal in amount to said rents.

21.A.2. That if the building is destroyed or rendered untenable by fire or other unavoidable accident through no fault of the **Lessee**, the **Lessor** shall make appropriate repairs or replacement within no later than twelve (12) months or such period which is commercially reasonable and practicable under the circumstances.

21.A.3. That in the event the **Lessee**, without the prior written consent of the **Lessor**, shall sell, assign or in any manner encumber or pledge this lease, or if the **Lessee** shall fail to comply with any statute, ordinance, rule, order, regulation or requirement of the Federal or State governments, or Hernando County, or any of its departments, or bureaus applicable to said Premises, the **Lessor** may, if it elects, at any time thereafter, terminate this lease or any of the terms thereof, on giving the **Lessee** fifteen (15) days notice thereof in writing of its intention to do so, and upon giving such notice the lease or those terms thereof shall terminate, expire and come to an end on the date fixed in this lease for the termination and expiration thereof. However, if **Lessee** cures the default within fifteen (15) days of receipt of the notice mentioned above, then **Lessor's** right to terminate this lease shall be abated, provided, however, if said default cannot be cured within fifteen (15) days upon **Lessee's** exercise of reasonable diligence, **Lessee** shall have such longer time as is reasonably necessary to cure said default provided that **Lessee** commences said cure within said fifteen (15) day period and thereafter diligently prosecutes said cure to completion.

21.A.4. That if at any time prior to the date fixed as the commencement of the term of this lease or if at any time during the term hereby demised there shall be filed by or against **Lessee** in any court pursuant to any law either of the United States or of any State, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of **Lessee's** property, or if **Lessee** makes an assignment for the benefit of creditors, this lease, at the option of the **Lessor**, exercised within a reasonable time after notice of the happening of any one or more of such events, may be canceled and terminated. In such event neither **Lessee** nor any person claiming through or under **Lessee** by virtue of any statute or of order of any court shall be entitled to possession or to remain in possession of the Premises demised but shall forthwith quit and surrender the Premises. **Lessor**, in addition to the other rights and remedies it has by virtue of any other provision herein or elsewhere in this lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any rent, security, deposit of moneys received by it from **Lessee** or others in behalf of **Lessee**.

21.B. As a part of the consideration for this lease, the **Lessor**, upon its part, hereby covenants and agrees as follows:

21.B.1. That the **Lessee** may quietly hold and enjoy the Premises hereby leased without any interruption by the **Lessor**, or any persons claiming through or under it, provided that on the breach of any of the covenants by the **Lessee** herein contained the **Lessor** may thereupon re-enter said Premises and immediately the said term will be terminated.

21.B.2. That the **Lessor** is unaware of any particular circumstances or information affecting or bearing upon the environmental condition of the Premises, but **Lessor** affirms that,

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to the best of its knowledge, the condition of the property is suitable for the uses permitted herein and that **Lessor** has not disposed of any hazardous materials on the Premises.

21.B.3.Lessor agrees that it will not seek payment or contribution from **Lessee** for any claims or costs of any environmental related clean-up or environmental remediation with respect to the Premises where such claims or costs are the sole result of activities on the Premises prior to the commencement of this Agreement; or where such claims or cost were not caused, influenced, or contributed to by **Lessee**, its employees, agents, contractors, or persons acting under the direction or control of **Lessee**, and such claims or costs are not in any way related to or stems from any of the activities described under this Agreement.

21.B.4. Nothing in the foregoing is intended for **Lessor** to relinquish any of its rights as a sovereign local government and **Lessor** expressly reserves all rights and defenses under applicable sovereign immunity law.

SECTION 22 - DAMAGE TO PREMISES

22.A. If the Premises shall be damaged to the extent of less than twenty-five percent (25%) of the cost of replacement value, by fire or other casualty during the term of this Agreement, except for the last six (6) months of this Agreement, then the **Lessor** shall cause such damage to be repaired or restored without unreasonable delay. If the damage to the Premises occurs during the last six (6) months of this Agreement, then the **Lessor** shall have the option to: (a) terminate this Agreement by giving written notice of termination to the **Lessee** within sixty (60) days after the date of the casualty; or (b) cause such damage to be repaired or restored without unreasonable delay.

22.B. If the Premises shall be damaged to the extent of more than twenty-five percent (25%) of the cost of replacement, by fire or other casualty, then the **Lessor** may compel repair of such damage and restoration of improvements without unreasonable delay. The **Lessee** shall give the **Lessor** immediate written notice of any fire or other casualty on the Premises.

22.C. The **Lessee**, at the **Lessee**'s sole expense, may obtain rental insurance to cover its loss for any period that the Premises may be wholly or partially untenable or otherwise unusable hereunder.

SECTION 23 - SURRENDER OF PREMISES

23. Upon the Expiration Date or earlier termination of this Agreement, the **Lessee** shall quit and surrender the Premises to the **Lessor** in the same condition as when received, ordinary wear and tear excepted, together with all keys and combinations to all locks and all improvements, alterations, additions and equipment at any time made or installed in, upon or to the Premises (except personal property and trade fixtures installed at the **Lessee**'s expense), all of which shall thereupon become the property of the **Lessor** without any subsequent claim by the **Lessee**. The **Lessee** agrees to repair any damage caused by the removal of the **Lessee**'s personal property or trade fixtures. If the **Lessee** fails to remove any personal property or trade fixtures,

said property shall, at **Lessor's** sole discretion, be deemed abandoned and become the property of the **Lessor**, or the **Lessor** shall have the right to remove and store such property at the expense of the **Lessee** without further notice to the **Lessee**, and hold the **Lessee** responsible for any and all charges and expenses incurred by the **Lessee** therefor. All expenses incurred by the **Lessor** in the removal and storage of the **Lessee's** personal property or trade fixtures shall be reimbursed by the **Lessee** on demand as Additional Rent. The provisions of this Section shall survive the expiration date or earlier termination of this Agreement.

SECTION 24 - HOLDING OVER

24. If the **Lessee** remains in possession of the Premises, or any part thereof, after any termination of this Agreement, then the **Lessee** shall be deemed only a tenant-at-will and shall be subject to immediate eviction and removal, with limiting any other remedies the **Lessor** may have. The **Lessor** may, in addition to any other rights which it may have hereunder or at law or in equity, elect in its sole option and discretion to treat any such holding over as the creation of a month-to-month tenancy subject to all of the terms and conditions set forth in this Agreement, except that the rent shall be doubled.

SECTION 25 - EVENTS OF DEFAULT AND REMEDIES

25.A. The occurrence of any one or more of the following events shall constitute a default on the part of the **Lessee**: (1) the **Lessee** fails to pay when due any rental (including Minimum Rent and Additional Rent) or any other sum of money payable hereunder within ten days after such rental or payment is due; (2) the **Lessee** breaches or fails to comply with any other term, provision, covenant or condition of this Agreement and such breach or failure shall continue for a period of fifteen days or more after written notice thereof from the **Lessor**; (3) the **Lessee** transfers, assigns, sublets, mortgages, pledges or encumbers this Agreement, the Premises, or any interest in the whole or in any portion thereof in violation of the provisions hereunder; (4) the **Lessee** abandons, deserts or vacates the Premises; or (5) a receiver is appointed to take possession of all or substantially all of the assets of the **Lessee**, or an assignment is made by **Lessee** for the benefit of its creditors, or any action is taken or suffered by the **Lessee** under any insolvency, bankruptcy or reorganization act.

25.B. Upon the occurrence of any of the above events of default, the **Lessor** shall have the option to perform any one or more of the following, in addition to, and not in limitation of, any other remedy or right permitted by law or in equity: (1) the **Lessor** may at once or any time thereafter, without notice to the **Lessee** or any other person, re-enter and repossess the Premises and remove all persons and effects therefrom, using such forces as may be needed without being deemed guilty in any manner of trespass or forcible entry or detainer; (2) the **Lessor** may at once or any time thereafter, without notice to the **Lessee** or any other person, re-enter the Premises and cure, correct or repair any condition which shall constitute a failure on the **Lessee's** behalf to keep, observe, perform, satisfy or abide by any term, condition, covenant, agreement or obligation of this Agreement or any alteration, amendment, change or addition thereto, and the **Lessee** shall fully reimburse and compensate the **Lessor** upon demand for any costs and expenses incurred in connection with such cure, correction or repair, which sums shall be

Corporate Hangar Lease with Pem-Air, LLC

Page 12

deemed to be Additional Rent hereunder; (3) the **Lessor** may at once or any time thereafter either declare this Agreement to be terminated without prejudice to any and all rights which the **Lessor** may have against the **Lessee** for rents, damages or breach of this Agreement, or attempt to relet the Premises on such terms as the **Lessor** shall determine. Such reletting shall not be considered as a surrender or acceptance back of the Premises or a termination of this Agreement, and the **Lessee** shall pay the **Lessor** any deficiency between the amount received, if any, from such reletting after such amount is applied first to **Lessor's** expenses in connection with re-entry, taking possession and reletting, including brokerage fees and commissions, alterations and redecorating as the **Lessor** may deem appropriate to prepare the Premises for reletting, and the amount of Minimum Rent and Additional Rent payable by the **Lessee** hereunder. The **Lessee** expressly waives the service of any notice of intention to terminate this Agreement or to re-enter the Premises, and waives the service of any demand for payment of rent or repossession.

25.C. The **Lessee** hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of the **Lessee** being evicted or dispossessed for any cause, or in the event of the **Lessor** obtaining possession of the Premises by reason of the violation by the **Lessee** of any of the covenants and conditions of this Agreement or otherwise.

25.D. Any obligation imposed by law upon the **Lessor** to relet the Premises shall be subject to the permitted uses provided in this Agreement, and the **Lessor** may relet the Premises on such terms and conditions as the **Lessor** may deem advisable. The failure of the **Lessor** to relet or, if the Premises are relet, to collect the rent under such reletting shall not release or affect the **Lessee's** liability for damages under this Agreement.

25.E. Unless otherwise specified in this Agreement, no remedy of the **Lessor** or the **Lessee** shall be considered exclusive of any other remedy, but each shall be distinct, separate and cumulative with all other available remedies. Each remedy available under this Agreement or at law or in equity may be exercised by the **Lessor** or the **Lessee** from time to time as often as the need may arise. No course of dealing between the **Lessor** and the **Lessee** or any delay or omission of the **Lessor** or the **Lessee** in exercising any right arising from the other party's default shall impair such right or be construed to be a waiver of a default.

SECTION 26 - VENUE; GOVERNING LAW; ATTORNEYS' FEES

26. Any dispute, claim, action, or appeal arising under this Agreement shall be brought in civil court in Hernando County, Florida. This Agreement shall be governed by the laws of Florida and shall be deemed to have been prepared jointly by the **Lessor** and the **Lessee**, and any uncertainty or ambiguity existing herein, if any, shall not be interpreted against either party, but shall be interpreted according to the application of the rules of interpretation for arm's-length agreements. Each party hereto agrees to bear their own attorneys' fees and costs in the event of any dispute, claim, action, or appeal arising out of or related to this Agreement.

SECTION 27 - FORCE MAJEURE

27. In the event either party hereto shall be delayed, hindered or prevented from the performance of any act required hereunder, by reason of governmental restrictions, scarcity of labor or materials, strikes, riots, war, acts of God, or any other reason beyond the reasonable control of the party delayed, hindered or prevented from performing the act, then the performance of such act shall be excused for the period of the delay, and the period for performance of any such act shall be extended for a period equivalent to the period of such delay.

SECTION 28 - NOTICES

28. All notices, consents, waivers, demands, requests or other instruments required or permitted by this Agreement shall be deemed to have been sufficiently served if the same shall be in writing and placed in the United States mail, via certified mail or registered mail, return receipt requested, with proper postage prepaid and addressed to the other party hereto at the address shown on page 1 hereof.

SECTION 29 - ASSIGNMENT AND SUBLETTING

29. The **Lessee** may not assign, transfer, sublet, mortgage, pledge or encumber this Agreement or the Premises, in whole or in part without prior written permission of the **Lessor**. This does not exclude 3rd party service agreements pertaining to all lawful business conducted by **Lessee** as approved in Section 5.A above.

SECTION 30 - SUCCESSORS

30. This Agreement and the covenants and conditions contained herein shall be binding upon and inure to the benefit of the **Lessor** and its successors and assigns, and shall be binding upon the **Lessee** and its successors.

SECTION 31 - ENTIRE AGREEMENT

31. This Agreement and the Exhibits hereto set forth the entire understanding between the **Lessor** and the **Lessee** concerning the subject matter of this Agreement and incorporate all prior negotiations and understandings, either oral or written. No alteration, amendment, change or addition to this Agreement shall be binding upon either party unless in writing and executed and delivered by both the **Lessor** and the **Lessee**.

SECTION 32 - SEVERABILITY

32. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be declared invalid or deemed unenforceable by a court of competent jurisdiction or superseding law, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement

Corporate Hangar Lease with Pem-Air, LLC

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shall be valid and enforced to the fullest extent permitted by law notwithstanding the invalidity of any other term or provision hereof.

SECTION 33 - RECORDING OF LEASE AGREEMENT

33. This Agreement shall be recorded at the **Lessee's** expense.

SECTION 34 - DESIGNATION OF LESSOR AGENT

34. This **Lessor** designates and the **Lessee** agrees that the Manager of the Airport shall do and perform on behalf of the **Lessor** all acts requiring the discretion of its agent hereunder, including at all reasonable times, the right to enter upon the Premises for the inspection of same.

SECTION 35 - ACCESS TO PREMISES

35. The **Lessor** and its authorized representatives and agents shall have the right to enter the Premises during all regular business hours, and in emergencies at all times, for the purpose of making repairs, installing utilities, providing services to the Premises, or making inspections or showing the same to prospective purchasers, lessor, or lenders.

SECTION 36 - QUIET ENJOYMENT

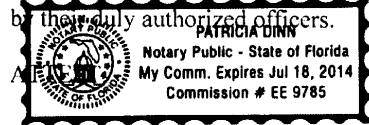
36. The **Lessee**, so long as **Lessee** does not default in the performance of any of the terms of this Agreement, shall peaceably and quietly hold, occupy and enjoy the Premises, during the term hereof without any hindrance by the **Lessor**.

SECTION 37 - EXECUTION IN COUNTERPARTS

37. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Agreement to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers.



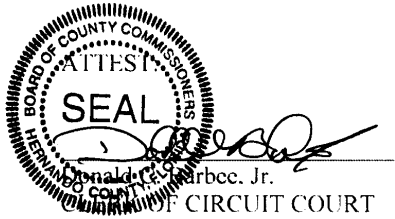
[Signature]

PEM-AIR, LLC

LESSEE

By: *[Signature]*
Virgil D. Pizer, Manager

2013-5-2013
Date



BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA LESSOR

By: *[Signature]*
David D. Russell, Jr., Chairman

9-24-13
Date

WITNESS:

[Signature]

HERNANDO COUNTY AVIATION
AUTHORITY CONCURRENCE

By: *[Signature]*
Gregory S. LaMont, Vice Chairman

9/10/13
Date

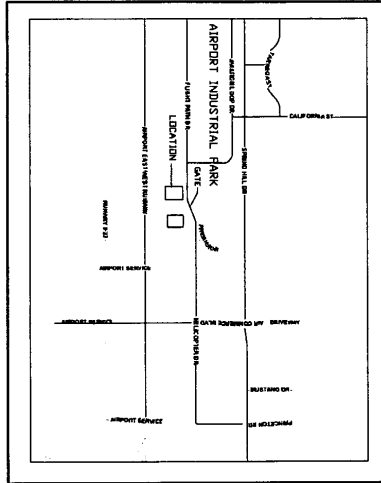
APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

[Signature]
County Attorney

AL

HERNANDO COUNTY AIRPORT HANGAR 5 OFFICE PROJECT

LOCATION



INDEX OF PLANS

- 1 KEY SHEET
- 2 HANGAR OFFICE PLAN

ATTENTION IS DIRECTED TO THE FACT THAT THESE PLANS MAY HAVE BEEN REDUCED IN SIZE BY REPRODUCTION. THIS MUST BE CONSIDERED WHEN OBTAINING SCALED DATA.

EXHIBIT A

<p>PREPARED BY: HERNANDO COUNTY, FLORIDA Department of Public Works ENGINEERING DIVISION 1525 EAST JEFFERSON STREET BROOKSVILLE, FL 34601-2807 Ph. (352) 794-4001 Fax (352) 794-4433</p>	<p>LOCATION: HERNANDO COUNTY AIRPORT 1630 FLIGHT PATH DRIVE SPRING HILL, FLA. SEC-14 TWP-23S. RNG-18E</p>	<p>REVISIONS</p> <p>PLANS REVISED PER H.C.B.D. COMMENTS- 4-28-09</p>	<p>REGGIE SUTTON PE ASSISTANT COUNTY ENGINEER 1525 EAST JEFFERSON STREET BROOKSVILLE, FL 34601 P.E. # 57866</p>
<p>DRAWN BY: AL T. SCALE: N.T.S. PAGE: 1 OF 2 DATE: 3-13-09</p>			

EXHIBIT B

HERNANDO COUNTY AIRPORT REVOCABLE LICENSE AGREEMENT

This License Agreement is made as of this 8th day of May, 2012, by and between Hernando County, a political subdivision of the State of Florida, whose address is 20 North Main Street, Brooksville, Florida 34601 (hereinafter the "Licensor" or "County") and Pem-Air, LLC, a Florida Limited Liability Corporation, whose address is 5921 SW 44th Ct., Davie, FL, 33314, (hereinafter the "Licensee").

RECITALS

WHEREAS, the County is the owner of the property known as Hernando County Airport, (hereinafter the 'Airport'); and,

WHEREAS, the Airport is subject to the requirements of various federal laws and regulations including, without limitation, the Surplus Property Act of 1944, as amended, the Federal Property and Administrative Services Act of 1949, as amended, and the rules and orders promulgated by the Federal Aviation Administration, including specifically Order 5190.6B; and,

WHEREAS, there are portions of the Airport, including a runway, which are not currently used for aviation or aeronautical related activities; and,

WHEREAS, the Licensee desires to temporarily utilize specified portions of the Airport Property for the purpose of parking of large aircraft for the purpose of maintenance and disassembly ; (hereinafter said "temporary use of the Premises" is also referred to in this Agreement as "use"; and,

WHEREAS, the requested temporary use of the property is consistent with the Hernando County Comprehensive Plan, Zoning Ordinance, Airport Master Plan, Administrative Conditional Use Permit, and other applicable state and federal laws; and

WHEREAS, Licensee agrees to the terms and conditions of temporary use of the Airport property as specified in this License Agreement, including, without limitation, the Release, Indemnity and Hold Harmless provisions, Required Insurance provisions, Fees, and other terms, conditions and requirements as detailed herein;

NOW THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Licensor and Licensee do hereby agree as follows:

SECTION 1. RECITALS.

The above Recitals are true and correct and are incorporated herein and made a part hereof by this reference.

AP

SECTION 2. PREMISES.

The Licensor hereby grants to the Licensee the right to use, consistent with all the terms and conditions of this Agreement, that portion of the Airport property described and shown on Exhibit "A" attached hereto and made a part hereof by this reference, (hereinafter the Premises). The license shall include a limited right of ingress and egress to the Premises, at such times as are specified herein, using only the access roads specified in Section 8.B. below. All truck access is subject to prior coordination and approval by the Airport Manager, or designee.

SECTION 3. DURATION OF LICENSE.

A. This License Agreement shall commence on May 8, 2012, and shall terminate on December 31, at 11:59 p.m., of the same year the License is issued, unless earlier terminated as set forth herein. The Licensee shall not be privileged to enter or utilize the Premises prior to complete execution and approval of this License Agreement, including acknowledged receipt and sufficiency of Required Insurance.

SECTION 4. NONEXCLUSIVE USE OF PREMISES.

The Licensor and the Licensee further agree that other Airport uses may take place concurrently with Licensee's permitted use of the Premises.

SECTION 5. PERMITTED USE OF PREMISES.

A. The Licensee may use the Premises ONLY for the following purposes, which are fully described as follows: Aircraft parking, maintenance and disassembly. Licensee shall be solely responsible for the proposed use, including doing any and all things necessary to insure the Premises is made safe for the Licensee's proposed use by employees and guests.

B. The Licensee shall not use or permit the use of the Premises for any other purpose, other than that stated above, without a prior written amendment to this Agreement. All activities in connection with proposed use shall be coordinated in advance with the Airport Manager.

SECTION 6. REQUIRED PERMITS.

A. The Licensee, in its own name and at its own expense, shall obtain all permits and/or licenses required or needed in connection with any use or this License

Agreement. All such permits/licenses shall be obtained prior to the first use and copies shall be provided to the Airport Manager. Failure to obtain said approvals and permits will render the license granted herein null and void.

B. The failure of this Agreement to address a particular permit, condition, term or restriction shall not relieve the Licensee of the necessity of complying with the law governing said permitting requirements, conditions, terms or restrictions. No rights to obtain a temporary conditional use approval nor any other rights to the proposed use have been granted or implied simply by the County's approval of this Revocable License Agreement. Licensee may not attempt to force or coerce County approval authorities to approve any temporary conditional use or other land use approval, by asserting that the County has committed to such approvals based on the theory of vested rights or equitable estoppel or any other legal theory based on the County's approval of this Agreement. Approval of a development order requires strict compliance with applicable approval criterion for the requested use.

C. Licensee shall be solely responsible for obtaining all approvals, permits, licenses, insurance, and authorizations from the responsible Federal, State and local authorities, or other entities, necessary to use the Premises in the manner contemplated. Further, it is expressly agreed and understood that Hernando County has no duty, responsibility or liability for requesting, obtaining, ensuring, or verifying Licensee's compliance with the applicable state and federal agency permit or approval requirements. Any permit or authorization granted by the County, including any development order under County land use regulations shall not in any way be interpreted as a waiver, modification, or grant of any state or Federal or State agency permits or authorizations or permission to violate any state or federal law or regulation. Licensee shall be held strictly liable, and shall hold Licensor Hernando County, its officers, employees and agents harmless for administrative, civil and criminal penalties for any violation of Federal and State statutes or regulations, including but not limited to environmental laws and regulations. Nothing herein shall be interpreted as restricting or limiting Hernando County from bringing an enforcement action under the Hernando County Code of Ordinances.

SECTION 7. LICENSE FEE; OTHER COSTS.

The Licensee agrees that the License Fee for use of the Premises shall be Four Hundred Dollars (\$400.00) per month for each required aircraft parking space. The fee is due and payable on or before the 10th of the month following the month of use. If the fee is not paid when due, payment is subject to a 10% late payment fee and this License Agreement is automatically canceled. The Licensee is responsible for all taxes, fees or any other costs associated with each use.

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SECTION 8. MANDATORY CONDITIONS OF USE.

A. IMPROVEMENTS. The Licensee is not permitted to make any alteration to the Premises, to make improvements to the Premises or to place improvements on the Premises, except such alterations or improvements as are specifically identified herein or otherwise authorized in writing by the Airport Manager.

B. ACCESS. The Licensee agrees that all access to/from the Premises shall be via Runway Drive and no other access is authorized. No parking or other use is permitted of the specified access roads. It shall be the responsibility of the Licensee to direct and control all traffic to and from the Premises.

C. RETURN CONDITION / REPAIR OBLIGATION. The Licensee agrees to surrender / return the Premises to the Licensor following each and every use in like-same condition as existed preceding such use. This obligation includes but is not limited to the obligation to return the premises in a clean condition, free from garbage, trash, junk and debris. If the property is not returned in clean condition, the Licensor shall clean the premises and bill the Licensee. Any such bill shall be fully paid within ten days of receipt. Further, the Licensee is strictly obligated to pay the full cost of repair, including administrative costs, for any damage to the Premises caused by the Licensee, its agents, contractors, invitees, patrons and/or guests arising from each use. Licensee acknowledges that said repair may only be performed by County personnel or other authorized and qualified contractors of the County. In addition, Licensee acknowledges that said repair shall be in accordance with all federal, state and local public improvement standards, rules and regulations, including but not limited to public improvement standards, and when triggered, public bidding and contracting rules. If the property is returned with damages necessitating repair, unless otherwise agreed by the parties, the Licensor shall conduct the repair to the premises and bill the Licensee. Any such bill shall be fully paid within thirty days of receipt. Failure to any bill under this section shall disqualify Lessee or its members from any future use of the Premises. In addition, the Licensor may pursue any legal action to recover the debt.

D. ALCOHOL / CONTROLLED SUBSTANCES. The possession or use of alcohol, narcotics and/or controlled substances on the Premises is strictly prohibited by each and every person attending or participating in any Event.

E. SPECIAL CONDITIONS AND RESTRICTIONS: The following Special Conditions and Restrictions apply to the proposed use of the Premises: The Licensee shall adhere to all local, state, and federal environmental regulations pertaining to it's



operations. This License Agreement is conditioned upon the existence of a valid Corporate Hanger Lease Agreement between Licensee and Licensor.

SECTION 9. LICENSEE ACKNOWLEDGEMENT / LICENSOR DISCLAIMER CONCERNING CONDITION OF RUNWAY/SURFACE AREAS - LICENSEE ASSUMPTION OF ALL RISKS.

The Licensee acknowledges and agrees, that the Premises consist of portions of an unused runway, which runway is not presently maintained in a condition suitable for aircraft use, and that the runway may have or contain cracks, depressions, uneven surfaces, presence of rocks or other debris, or other conditions which may or may not create a hazard to vehicles operating thereon.

SECTION 10. INDEMNITY / HOLD HARMLESS.

A. Licensee, to the fullest extent permitted by Florida law, covenants, and agrees that it will indemnify and hold harmless the Licensor, its officers, employees and agents, from any and all claims, actions, losses, damages, costs, charges, liabilities and expenses, (as well as attorney's fees and costs, at both trial and appellate levels), including, but not limited to claims in connection with any loss of life, personal injury, (including death), or property damage, arising from, or out of, the occupancy or use of the Premises or use of any other part of the Licensor's property, by the Licensee, its employees, volunteers, participants, agents, contractors, invitees, or guests, or due to or occasioned wholly or in part by any act or omission of the Licensee, its employees, volunteers, participants, agents, contractors, invitees or guests. Notwithstanding anything to the contrary in this License Agreement, the parties hereto shall retain for themselves all claims and defenses under Florida's sovereign immunity laws.

B. The Parties agree that the damages for any tort claim or action are limited to actual damages, incidental damages, costs, and case expenses. In no event shall the Parties be liable for consequential, special, indirect, punitive or exemplary damages, costs, expenses, of losses (including without limitation, lost profits and opportunity costs).

SECTION 11. REQUIRED INSURANCES.

A. **LIABILITY.** At all times while this Agreement remains in force, the Lessee, at the Lessee's sole expense, shall maintain with respect to the Premises, primary insurance coverage in an amount not less than One Million Dollars (\$1,000,000) in general liability insurance (per occurrence) and Two Million Dollars (\$2,000,000) (general aggregate) as per the 2012 Insurance Requirements established by the County. On addition, the Lessee, at the Lessee's sole expense, shall provide Products/Completed Operations liability

ADP

insurance in an amount not less One Million Dollars (\$1,000,000) (per occurrence) and Two Million Dollars (\$2,000,000) (general aggregate) and Hangarkeepers Legal Liability in an amount not less One Million Dollars (\$1,000,000) (each aircraft/each occurrence). The Lessee shall endorse "Hernando County Board of County Commissioners" as an additional insured on the General Liability Insurance policy. All insurance shall have a Best's Rating of "A" or better. Insurance Certificates shall be provided to the Airport Manager prior to any use or occupation of the premises. Notwithstanding the foregoing, the parties agree that the existence of insurance is not intended to relieve the Lessee, its employees or agents of any duty as may be imposed under this Agreement or under applicable law. Notwithstanding the minimum insurance requirements above, the Airport Manager is authorized to reduce the general aggregate insurance limit to One Million Dollars when Umbrella Liability insurance is provided or such other reduction as approved with the concurrence of the County Administrator.

B. AUTO LIABILITY. Coverage shall be provided for all tagged vehicles. The minimum limits of insurance (inclusive of any amounts provided by an umbrella or excess policy) covering the work performed pursuant to this Agreement shall be \$500,000.

C. WORKERS COMPENSATION. Licensee shall maintain Workers Compensation Insurance for all covered individuals present on site in accordance with State and Federal Law. (i.e., all persons required to be covered by such insurance shall be covered). When applicable, the Licensee shall provide a true and correct copy of the Workers Compensation Insurance Certificate to the Airport Manager, prior to any use of the Premises hereunder.

D. REJECTION / NOTICE. Licensor reserves the right, but not the obligation, to revise any insurance requirement, not limited to limits, coverages and endorsements, or to reject any insurance policies which fail to meet the criteria stated herein. Additionally, Licensor reserves the right, but not the obligation, to review and reject any insurer providing coverage due of its poor financial condition or failure to operating legally. If the Licensee receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives noticed that coverage no longer complies with the insurance requirements herein, Contractor agrees to notify the Licensor by fax within five (5) business days with a copy of the non-renewal or cancellation notice, or written specifics as to which coverage is no longer in compliance.

E. The terms "LICENSOR", "COUNTY" or "HERNANDO COUNTY" shall include all Authorities, Boards, Bureaus, Commissions, Divisions, Departments, and offices of the County and individual officers, members, employees, volunteers, and agents thereof in their official capacities, and/or while acting on behalf of Hernando County.

SECTION 12. TERMINATION.

This License Agreement may be terminated by the Licensor, for any material violation under this license agreement, upon 30 days notice to the Licensee. This License Agreement may also be terminated by the Licensor, for any reason or no reason, upon 180 days notice. This license agreement may also be terminated by mutual written agreement, between Licensee and Licensor at any time.

SECTION 13. NOTICES.

All notices, demands, requests, or replies provided for or permitted by this License Agreement shall be in writing and may be delivered by any one of the following methods: (a) by personal delivery; (b) by deposit with the United States Postal Service as certified or registered mail, return receipt requested, postage prepaid, to the addresses stated below; (c) by prepaid nationally-recognized overnight courier (such as UPS, overnight mail, or Federal Express), or be by facsimile transmission). Notice deposited with the United States Postal Service in the manner described above shall be deemed effective three (3) business days after deposit with the Postal service. Notice by facsimile or overnight express delivery service shall be deemed effective one (1) business day after transmission or after deposit with the express delivery service. Notice by personal delivery shall be deemed effective at the time of personal delivery.

For purposes of notice or communication to the Licensee:

In the case of notice or communication to the Licensor:

Hernando County
c/o County Administrator
20 North Main Street, Suite 263
Brooksville, Florida 34601
Phone: (352) 754-4000
Fax: (352) 754-4477

copy to: Don Silvernell, Airport Manager
Hernando County Airport
15800 Flight Path Drive
Brooksville, Fl 34604
Phone: (352)-754-4061
Fax: (352) 799-1711

SECTION 14. NO ASSIGNMENT.

The Licensee shall not assign this License Agreement to any other person or entity. Any attempt to assign this Agreement will revoke the license granted herein and the Agreement will be deemed terminated.

SECTION 15. ENTIRE AGREEMENT.

This Agreement incorporates or references all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in, incorporated into, or referenced in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

SECTION 16. AMENDMENT -MODIFICATION.

This License Agreement may only be modified by a written document duly executed by the Licensor and the Licensee.

SECTION 17. SEVERABILITY.

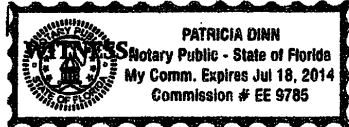
If any clause, section, sentence or any other portion or any part of this License Agreement is contrary to, prohibited by, or deemed invalid or null and void for any reason under any applicable law or regulation, such provisions shall be inapplicable and deemed omitted to the extent so contrary, prohibited, invalid or void, however, the remainder hereof shall not be invalidated thereby and shall be given full force and effect to the fullest extent permitted by law.

SECTION 18. VENUE; ATTORNEY FEES.

Any dispute, claim or action relating to or arising under this License Agreement shall be brought solely in the Circuit Court, in Hernando County, Florida. Venue shall be limited to Hernando County, Florida. This License Agreement shall be governed by Florida Law. Each party hereto agrees to bear their own attorney fees and costs in the event of any dispute.

[The remainder of this page has intentionally been left blank.]

IN WITNESS WHEREOF, the Licensor and the Licensee have caused this License Agreement to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers, as of the date last executed below.



Patricia Dinn

Licensee
Pem-Air, LLC.

By: *Virgil Pizer* 5-1-12
Virgil Pizer, Manager Date

WITNESS:



Karen Nicolson

Licensor
Board of County Commissioners
Hernando County, Florida

By: *Wayne Dukes* 5/8/12
Wayne Dukes, Chairman Date

WITNESS:

Jeanne Crain

Concurrence
Hernando County Aviation Authority

By: *Gary Schraut* 5/2/12
Gary Schraut, Chairman Date

Approved for Form
and Legal Sufficiency:

Richard Appicello
Richard Appicello
Assistant County Attorney