

EXHIBIT B

CONTRACT & LEASE AGREEMENT CONTROL FORM

Date: 7/29/2013

Contract/Lease Control #: L07-0303-AP

Bid #: N/A

Contract/Lease Type: EXPENDITURE

Award to/Lessee: OKALOOSA COUNTY BCC/AIRPORT

Lessor: USAF/EGLIN

Effective Date: 7/30/2007

Amount: \$APPROX 11,593,455.00

Term/Expires: 7/16/2038

Description of Contract/Lease: 130.83 ACRES EGLIN AFB FOR EAST SIDE DEVELOPMENT

Department Manager: AIRPORT

Department Monitor: S. Harman

Monitor's Telephone #: 651-7160

Monitor's Fax #: 651-7164

Date Closed:

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 05-04-2018

Contract/Lease Control #: L07-0303-AP

Procurement#: NA

Contract/Lease Type: EXPENDITURE

Award To/Lessee: OKALOOSA COUNTY BCC/AP

Owner/Lessor: USAF/EGLIN

Effective Date: 03/28/2018

Expiration Date: 07/30/2063

Description of Contract/Lease: 130.83 ACRES EGLIN AFB FOR EAST SIDE DEVELOPMENT

Department: AP

Department Monitor: STAGE

Monitor's Telephone #: 850-651-7160

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

Closed:

Cc: Finance Department Contracts & Grants Office

PROCUREMENT/CONTRACT/LEASE
INTERNAL COORDINATION SHEET

(607-0303-AP)

Procurement/Contract/Lease Number: AFMC-EG-1-07-003 Tracking Number: 2192-18
Procurement/Contractor/Lessee Name: Okaloosa CTY Grant Funded: YES ___ NO
Purpose: Second Amendment to Lease of Property
Date/Term: 7/30/2063
Amount: \$1,633,775.21 Ann \$433,775.21 annually
Department: Airports
Dept. Monitor Name: STAGE/Minee

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

Purchasing Review
Procurement or Contract/Lease requirements are met: *Address needs updating*
Purchasing Director or designee: Greg Kisela, Jeff Hyde, DeRita Mason, Matthew Young Date: 2/6/18

2CFR Compliance Review (if required)
Approved as written: Renee Biby Date: 2/6/2018
Grants Coordinator Renee Biby

Risk Management Review
Approved as written: Krystal King Date: 2-7-18
Risk Manager or designee Laura Porter or Krystal King

County Attorney Review
Approved as written: [Signature] Date: 2-8-18
County Attorney Gregory T. Stewart, Lynn Hoshihara, Kerry Parsons or Designee

Following Okaloosa County approval:
Clerk Finance
Document has been received: _____ Date: _____
Finance Manager or designee

02-09-18 11:05:55 AM

Contract # L07-0303-AP
OKALOOSA COUNTY BDD/AIRPORT
ENHANCED LEASE WITH EGLIN AFB
EXPIRES: 07/30/2063

Second Amendment to Lease

Lease of Property

(Lease Number: AFMC-EG-1-07-003)

By and Between

**The United States of America, acting by and through the Secretary of the Air
Force**

And

Okaloosa County

On

Eglin Air Force Base, Florida Effective Date: 23 March, 2018

**SECOND AMENDMENT TO LEASE OF PROPERTY
(OKALOOSA COUNTY AIRPORT)**

This **SECOND AMENDMENT TO LEASE OF PROPERTY** ("**Amendment**") is made as of the 23 day of March, 2018, the effective date of this Amendment (the "**Effective Date**"), by and between the **UNITED STATES OF AMERICA**, acting by and through the **SECRETARY OF THE AIR FORCE** (the "**Government**" or "**Lessor**") and **OKALOOSA COUNTY**, a political subdivision created under the laws of the State of Florida with its principal office located at 1250 N Eglin Pkwy, Suite 100, Shalimar, Florida 32579 ("**Lessee**"). The Government and the Lessee may sometimes be referred to jointly as the "**Parties**" and individually as, the "**Party**".

WITNESSETH

WHEREAS, the Parties made and entered into that certain Lease of Property dated effective July 30, 2007 identified as Lease No. USAF AFMC-EG-1-07-003, (herein after referred to as the "**Lease**");

WHEREAS, the Parties amended the lease by extending the term for twenty-five (25) years until 2038 with an effective date of July 24, 2013;

WHEREAS, pursuant to Condition 28.1 of the Lease, the Lessee is not in default of the Lease hereby being amended;

WHEREAS, the Parties desire to amend the Lease as more specifically set forth herein.

NOW THEREFORE, for and in consideration of the mutual covenants and agreements made herein and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows.

1. Condition 1. Term and Delivery of Possession – Condition 1.1 is hereby amended as follows:

The phrase "twenty-five (25) years ending at 12:00 p.m. on July __, 2038" is hereby deleted and replaced with "fifty-six (56) years ending at 12:00 p.m. on July 30, 2063."

2. Condition 4. Rent – Condition 4.1 – The second sentence in Condition 4.1 is deleted in its entirety and replaced by the following:

"Effective April 1st, 2018, the Lessee shall deposit a one-time payment of One Million Two Hundred Thousand and No/100 Dollars (\$1,200,000.00) and the 2018 Base Rent payment in the amount of Four Hundred Thirty Three Thousand Seven Hundred Seventy-five and 89/100 Dollars (\$433,775.89) into the escrow account associated with the Lease. Beginning in 2019, and continuing annually thereafter, the Base Rent payment shall change from quarterly installments to an annual Base Rent payment due on or before 1 April of each calendar year, escalated per annum

with previous year's rent by the annual Consumer Price Index (CPI) for All Urban Consumers, Area: South, Size Class B/C, as of 1 January of the year the Base Rent payment is due. See Payment Schedule outlined in Exhibit "C" attached hereto and incorporated herein."

3. Condition 25.2.1. Condition 25.2.1 is hereby amended as follows:

The word "quarterly" is hereby deleted and replaced with "annual".

4. Exhibit C- Exhibit C, Rent Schedule, is hereby replaced by Exhibit C Rent Schedule.

5. Miscellaneous.

- a. Effect on Lease. Except as expressly amended by this Second Amendment, all other terms and provisions of the Lease shall remain unchanged and in full force and effect.
- b. Inconsistent Provisions. In the event of any inconsistencies between the provisions of this Second Amendment and the Lease, the provisions of this Second Amendment shall supersede and control. If any provision of this Second Amendment is found unenforceable, such provision shall not affect the enforceability of the remaining provisions of the Lease.
- c. Counterparts. This Second Amendment may be executed in multiple counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same instrument. Facsimile copies of this Second Amendment, bearing the parties' respective signatures, shall be enforceable as originals.
- d. Time is of the Essence. Time is of the essence with respect to this Second Amendment. The Lease, as amended by this Second Amendment, represents the entire agreement of the parties.
- e. Effective Date. The "**Effective Date**" of this Second Amendment shall be the date upon which the last of the Parties executes this Second Amendment.
- f. Authorization. The undersigned hereby warrants and represents s/he is duly authorized to make and enter into this Second Amendment on behalf of the Lessee and to bind the Lessee hereto.

- g. Headings. The section headings of this Second Amendment are for convenience only and shall in no way define or limit the scope or content of this Second Amendment, and shall not be considered in any interpretation or construction of all or any part of this Second Amendment. Where the sense of this Second Amendment requires, any reference to a term in the singular shall be deemed to include the plural of said term, and any reference to a term in the plural shall be deemed to include the singular of said term.

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[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Lessor and Lessee have caused this Second Amendment to be executed by their duly authorized representatives as of the date written below.

"GOVERNMENT"

UNITED STATES OF AMERICA,
acting by and through the Secretary of the Air Force

By: Jennifer L. Miller
JENNIFER L. MILLER, SES
Deputy Assistant Secretary of the Air Force
(Installations)

Date: 23 day of Mar, 2018

WITNESSES:

Sherrin T. Williams
Signature

Sherrin T. Williams
Printed Name

R. W. McCann
Signature

ROBERT W. MCCANN
Printed Name

THIS SECOND AMENDMENT IS
ALSO EXECUTED BY THE
LESSEE AS OF THIS 6th day of
March 2018

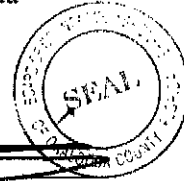
“LESSEE”

OKALOOSA COUNTY, a Florida
political subdivision

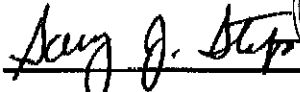
By:


Graham W. Fountain

Chairman, Board of County Commissioners

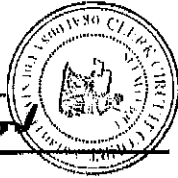


ATTEST:

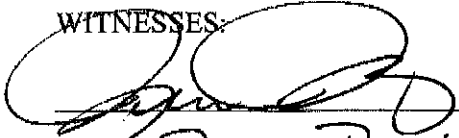

J.D. Peacock II

7

Clerk of Circuit Court



WITNESSES:


Name: Renee Ramirez


Name: Mary L. Carson

EXHIBIT C
RENT SCHEDULE

Payment schedule will be changed to an annual payment due on April 1st of each year with a base rental amount of \$433,775.89 and that amount will be escalated by the annual Consumer Price Index (CPI) for All Urban Consumers, Area: South, Size Class B/C, Series ID CUURX300SA0, base period December 1996=100, as of 1 January of the year the Rental payment is due. The CPI value to use for Jan2018, the base year of inflation, in the following calculation is 150.825 (Source: https://data.bls.gov/timeseries/CUURX300SA0?data_tool=Xgtable). If the Bureau of Labor Statistics resets the baseline for this index, the base year of inflation for this lease shall be adjusted accordingly to create an equal result.

Date	Year	One-Time	Annual Lease Payment	Total
4/1/2018	12	\$1,200,000.00	\$ 433,775.89	\$1,633,775.89
4/1/2019	13		(Jan2019/Jan2018)* \$433,775.89	
4/1/2020	14		(Jan2020/Jan2018)*\$433,775.89	
4/1/2021	15		(Jan2021/Jan2018)*\$433,775.89	
4/1/2022	16		(Jan2022/Jan2018)*\$433,775.89	
4/1/2023	17		(Jan2023/Jan2018)*\$433,775.89	
4/1/2024	18		(Jan2024/Jan2018)*\$433,775.89	
4/1/2025	19		(Jan2025/Jan2018)*\$433,775.89	
4/1/2026	20		(Jan2026/Jan2018)*\$433,775.89	
4/1/2027	21		(Jan2027/Jan2018)*\$433,775.89	
4/1/2028	22		(Jan2028/Jan2018)*\$433,775.89	
4/1/2029	23		(Jan2029/Jan2018)*\$433,775.89	
4/1/2030	24		(Jan2030/Jan2018)*\$433,775.89	
4/1/2031	25		(Jan2031/Jan2018)*\$433,775.89	
4/1/2032	26		(Jan2032/Jan2018)*\$433,775.89	
4/1/2033	27		(Jan2033/Jan2018)*\$433,775.89	
4/1/2034	28		(Jan2034/Jan2018)*\$433,775.89	
4/1/2035	29		(Jan2035/Jan2018)*\$433,775.89	
4/1/2036	30		(Jan2036/Jan2018)*\$433,775.89	
4/1/2037	31		(Jan2037/Jan2018)*\$433,775.89	
4/1/2038	32		(Jan2038/Jan2018)*\$433,775.89	
4/1/2039	33		(Jan2039/Jan2018)*\$433,775.89	
4/1/2040	34		(Jan2040/Jan2018)*\$433,775.89	
4/1/2041	35		(Jan2041/Jan2018)*\$433,775.89	
4/1/2042	36		(Jan2042/Jan2018)*\$433,775.89	
4/1/2043	37		(Jan2043/Jan2018)*\$433,775.89	
4/1/2044	38		(Jan2044/Jan2018)*\$433,775.89	
4/1/2045	39		(Jan2045/Jan2018)*\$433,775.89	
4/1/2046	40		(Jan2046/Jan2018)*\$433,775.89	
4/1/2047	41		(Jan2047/Jan2018)*\$433,775.89	

4/1/2048	42		(Jan2048/Jan2018)*\$433,775.89	
4/1/2049	43		(Jan2049/Jan2018)*\$433,775.89	
4/1/2050	44		(Jan2050/Jan2018)*\$433,775.89	
1/1/2051	45		(Jan2051/Jan2018)*\$433,775.89	
1/1/2052	46		(Jan2052/Jan2018)*\$433,775.89	
1/1/2053	47		(Jan2053/Jan2018)*\$433,775.89	
1/1/2054	48		(Jan2054/Jan2018)*\$433,775.89	
1/1/2055	49		(Jan2055/Jan2018)*\$433,775.89	
1/1/2056	50		(Jan2056/Jan2018)*\$433,775.89	
1/1/2057	51		(Jan2057/Jan2018)*\$433,775.89	
1/1/2058	52		(Jan2058/Jan2018)*\$433,775.89	
1/1/2059	53		(Jan2059/Jan2018)*\$433,775.89	
1/1/2060	54		(Jan2060/Jan2018)*\$433,775.89	
1/1/2061	55		(Jan2061/Jan2018)*\$433,775.89	
1/1/2062	56		(Jan2062/Jan2018)*\$433,775.89	
1/1/2063	57		(Jan2063/Jan2018)*(((\$433,775.89/365)*120)	

Comparison Table

Fiscal Year	Current Agreement	Proposed Agreement	Difference	Cumulative	Comment
2018	\$ 427,365.41	\$ 1,847,458.59	\$ (1,420,093.18)	\$ (1,420,093.18)	Proposed based on 2.10% (CUUR0000SA0 16-Year-Average)
2019	\$ 440,186.37	\$ 442,885.18	\$ (2,698.81)	\$ (1,422,791.99)	
2020	\$ 453,391.96	\$ 452,185.77	\$ 1,206.19	\$ (1,421,585.80)	
2021	\$ 466,993.72	\$ 461,681.67	\$ 5,312.05	\$ (1,416,273.76)	
2022	\$ 481,003.53	\$ 471,376.99	\$ 9,626.54	\$ (1,406,647.21)	
2023	\$ 495,433.64	\$ 481,275.91	\$ 14,157.73	\$ (1,392,489.48)	
2024	\$ 510,296.65	\$ 491,382.70	\$ 18,913.95	\$ (1,373,575.53)	
2025	\$ 525,605.55	\$ 501,701.74	\$ 23,903.81	\$ (1,349,671.72)	
2026	\$ 541,373.71	\$ 512,237.47	\$ 29,136.24	\$ (1,320,535.48)	
2027	\$ 557,614.92	\$ 522,994.46	\$ 34,620.47	\$ (1,285,915.02)	
2028	\$ 574,343.37	\$ 533,977.34	\$ 40,366.03	\$ (1,245,548.99)	
2029	\$ 591,573.67	\$ 545,190.87	\$ 46,382.81	\$ (1,199,166.18)	
2030	\$ 609,320.88	\$ 556,639.88	\$ 52,681.01	\$ (1,146,485.17)	
2031	\$ 627,600.51	\$ 568,329.31	\$ 59,271.20	\$ (1,087,213.98)	
2032	\$ 646,428.53	\$ 580,264.23	\$ 66,164.30	\$ (1,021,049.68)	
2033	\$ 665,821.38	\$ 592,449.78	\$ 73,371.60	\$ (947,678.08)	
2034	\$ 685,796.02	\$ 604,891.22	\$ 80,904.80	\$ (866,773.28)	
2035	\$ 706,369.90	\$ 617,593.94	\$ 88,775.97	\$ (777,997.31)	
2036	\$ 727,561.00	\$ 630,563.41	\$ 96,997.59	\$ (680,999.72)	
2037	\$ 749,387.83	\$ 643,805.24	\$ 105,582.59	\$ (575,417.13)	
2038	\$ 771,869.47	\$ 657,325.15	\$ 114,544.31	\$ (460,872.82)	Current Agreement Expires
2039	\$ 795,025.55	\$ 671,128.98	\$ 123,896.57	\$ (336,976.25)	
2040	\$ 818,876.32	\$ 685,222.69	\$ 133,653.63	\$ (203,322.63)	
2041	\$ 843,442.61	\$ 699,612.37	\$ 143,830.24	\$ (59,492.39)	
2042	\$ 868,745.88	\$ 714,304.23	\$ 154,441.66	\$ 94,949.27	
2043	\$ 894,808.26	\$ 729,304.61	\$ 165,503.65	\$ 260,452.92	
2044	\$ 921,652.51	\$ 744,620.01	\$ 177,032.50	\$ 437,485.41	
2045	\$ 949,302.08	\$ 760,257.03	\$ 189,045.05	\$ 626,530.47	
2046	\$ 977,781.15	\$ 776,222.43	\$ 201,558.72	\$ 828,089.18	
2047	\$ 1,007,114.58	\$ 792,523.10	\$ 214,591.48	\$ 1,042,680.66	
2048	\$ 1,037,328.02	\$ 809,166.09	\$ 228,161.93	\$ 1,270,842.59	
2049	\$ 1,068,447.86	\$ 826,158.57	\$ 242,289.28	\$ 1,513,131.88	
2050	\$ 1,100,501.29	\$ 843,507.90	\$ 256,993.39	\$ 1,770,125.27	
2051	\$ 1,133,516.33	\$ 861,221.57	\$ 272,294.76	\$ 2,042,420.03	
2052	\$ 1,167,521.82	\$ 879,307.22	\$ 288,214.60	\$ 2,330,634.63	
2053	\$ 1,202,547.48	\$ 897,772.67	\$ 304,774.80	\$ 2,635,409.44	
2054	\$ 1,238,623.90	\$ 916,625.90	\$ 321,998.00	\$ 2,957,407.44	
2055	\$ 1,275,782.62	\$ 935,875.04	\$ 339,907.57	\$ 3,297,315.01	
2056	\$ 1,314,056.10	\$ 955,528.42	\$ 358,527.68	\$ 3,655,842.69	
2057	\$ 1,353,477.78	\$ 975,594.52	\$ 377,883.26	\$ 4,033,725.95	
2058	\$ 1,394,082.11	\$ 996,082.00	\$ 398,000.11	\$ 4,431,726.06	
2059	\$ 1,435,904.58	\$ 1,016,999.72	\$ 418,904.85	\$ 4,850,630.92	
2060	\$ 1,478,981.71	\$ 1,038,356.72	\$ 440,625.00	\$ 5,291,255.91	
2061	\$ 1,523,351.17	\$ 1,060,162.21	\$ 463,188.96	\$ 5,754,444.87	
2062	\$ 1,569,051.70	\$ 1,082,425.62	\$ 486,626.09	\$ 6,241,070.96	
2063	\$ 1,622,221.83	\$ 805,401.76	\$ 816,820.07	\$ 7,057,891.02	

**CPI-All Urban Consumers (Current Series)
Original Data Value**

Series Id: CUUR0000SA0

Not Seasonally Adjusted

Series: All items in U.S. city average, all urban consumers, not
Title: seasonally adjusted
Area: U.S. city average
Item: All items
Base: 1982-84=100
Period:
Years: 2000 to 2017

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2	Average	Change
2000	168.8	169.8	171.2	171.3	171.5	172.4	172.8	172.8	173.7	174.0	174.1	174.0	170.8	173.6	172.2	
2001	175.1	175.8	176.2	176.9	177.7	178.0	177.5	177.5	178.3	177.7	177.4	176.7	176.6	177.5	177.1	2.83%
2002	177.1	177.8	178.8	179.8	179.8	179.9	180.1	180.7	181.0	181.3	181.3	180.9	178.9	180.9	179.9	1.59%
2003	181.7	183.1	184.2	183.8	183.5	183.7	183.9	184.6	185.2	185.0	184.5	184.3	183.3	184.6	184.0	2.27%
2004	185.2	186.2	187.4	188.0	189.1	189.7	189.4	189.5	189.9	190.9	191.0	190.3	187.6	190.2	188.9	2.68%
2005	190.7	191.8	193.3	194.6	194.4	194.5	195.4	196.4	198.8	199.2	197.6	196.8	193.2	197.4	195.3	3.39%
2006	198.3	198.7	199.8	201.5	202.5	202.9	203.5	203.9	202.9	201.8	201.5	201.8	200.6	202.6	201.6	3.23%
2007	202.416	203.499	205.352	206.686	207.949	208.352	208.299	207.917	208.490	208.936	210.177	210.036	205.709	208.976	207.3	2.85%
2008	211.080	211.693	213.528	214.823	216.632	218.815	219.964	219.086	218.783	216.573	212.425	210.228	214.429	216.177	215.3	3.84%
2009	211.143	212.193	212.709	213.240	213.856	215.693	215.351	215.834	215.969	216.177	216.330	215.949	213.139	215.935	214.5	-0.36%
2010	216.687	216.741	217.631	218.009	218.178	217.965	218.011	218.312	218.439	218.711	218.803	219.179	217.535	218.576	218.1	1.64%
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	223.598	226.280	224.9	3.16%
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	228.850	230.338	229.6	2.07%
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.366	233.548	233.0	1.46%
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.384	237.088	236.7	1.62%
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	236.265	237.769	237.0	0.12%
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	238.778	241.237	240.0	1.26%
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	244.076	246.163	245.1	2.13%

2.10%

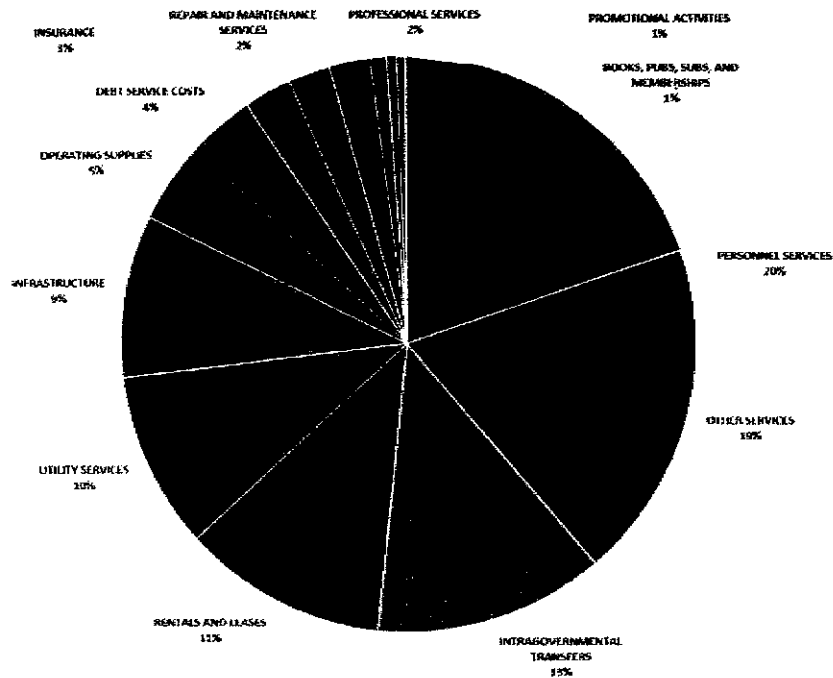
16 Year Average CPI
Annual Change used
for Comparison Table



Lease Payment History

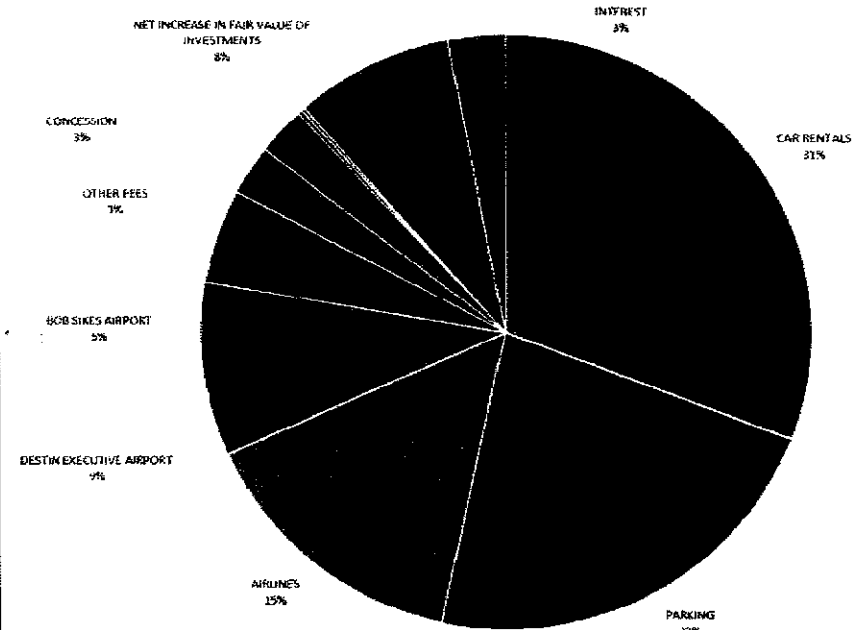
Fiscal Year	Lease Payments	Percent Change
2006	\$ 165,000.00	
2007	\$ 165,000.00	100.00%
2008	\$ 318,000.00	192.73%
2009	\$ 327,540.00	103.00%
2010	\$ 337,366.20	103.00%
2011	\$ 347,487.20	103.00%
2012	\$ 357,911.80	103.00%
2013	\$ 368,649.16	103.00%
2014	\$ 379,708.64	103.00%
2015	\$ 391,099.88	103.00%
2016	\$ 402,832.88	103.00%
2017	\$ 414,917.88	103.00%
2018	\$ 427,365.40	103.00%

EXPENSES



Cost Category	Amount	% of Total
PERSONNEL SERVICES	\$ 415,980	19.73%
OTHER SERVICES	\$ 401,659	19.05%
INTRAGOVERNMENTAL TRANSFERS	\$ 273,018	12.95%
RENTALS AND LEASES	\$ 242,705	11.51%
UTILITY SERVICES	\$ 208,749	9.90%
INFRASTRUCTURE	\$ 193,522	9.18%
OPERATING SUPPLIES	\$ 97,668	4.63%
DEBT SERVICE COSTS	\$ 79,125	3.75%
INSURANCE	\$ 56,376	2.67%
REPAIR AND MAINTENANCE SERVICES	\$ 50,361	2.39%
PROFESSIONAL SERVICES	\$ 48,054	2.28%
PROMOTIONAL ACTIVITIES	\$ 18,435	0.87%
BOOKS, PUBS, SUBS, AND MEMBERSHIPS	\$ 12,675	0.60%
BUILDINGS	\$ 10,241	0.49%
Grand Total	\$ 2,108,569	100.0%

Revenue Category	Amount	% of Total
CAR RENTALS	\$ 1,012,898.93	30.85%
PARKING	\$ 740,749.75	22.56%
AIRLINES	\$ 487,844.56	14.86%
DESTIN EXECUTIVE AIRPORT	\$ 310,265.89	9.45%
BOB SIKES AIRPORT	\$ 168,149.60	5.12%
OTHER FEES	\$ 89,559.38	2.73%
CONCESSION	\$ 84,950.51	2.59%
ADVERTISING	\$ 7,797.34	0.24%
GROUND TRANSPORTATION	\$ 6,572.68	0.20%
NET INCREASE IN FAIR VALUE OF INVEST	\$ 275,404.29	8.39%
INTEREST	\$ 99,570.21	3.03%
Grand Total	\$ 3,283,763.14	100.00%



REVENUE

Restricted Cash-PFC	\$ 11,808,894
Other Revenue	\$ 5,000,000



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE GENERAL COUNSEL

February 14, 2018

Via Electronic Mail

Mr. Tracy Stage
Airport Director
Okaloosa County Airports
1250 N Eglin Pkwy, Suite 100
Shalimar, Florida 32579

Re: Enhanced Use Lease by and between the United States Government by and through the Secretary of the Air Force and Okaloosa County

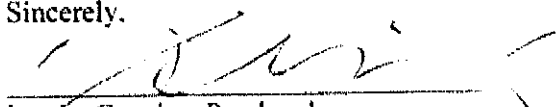
Mr. Stage:

With regard to the above captioned matter, attached please find one final execution copy of the Second Amendment to Lease.

Please print and have Okaloosa County sign and date three (3) original copies of the above listed document where indicated. Once properly executed, return all three (3) original signature pages for document via overnight mail addressed to me at SAF/GCN-SA c/o AFCEC/CI. 3515 S. General McMullen, Suite 155, San Antonio, TX 78226-2018.

Should you have any questions, please do not hesitate to contact me.

Sincerely,


Ivanka Canzius, Paralegal
Secretary of the Air Force, Office of the General Counsel
Installations, Energy & Environment

Attachments

cc: Ms. Jackie Crews-Pujol, Project Manager, AFCEC/CIUP (via electronic mail)



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE GENERAL COUNSEL

April 23, 2018

Via Electronic Mail & FEDEX
Tracking No. 8113 1255 4380

Mr. Tracy Stage
Airport Director
Okaloosa County Airports
1250 N Eglin Pkwy, Suite 100
Shalimar, Florida 32579

Re: Enhanced Use Lease by and between the United States Government by and through the Secretary of the Air Force and Okaloosa County

Mr. Stage:

With regard to the above captioned matter, attached please find one final executed original Second Amendment to Lease for your records.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Ivanka Canzius", written over a horizontal line.

Ivanka Canzius, Paralegal
Secretary of the Air Force, Office of the General Counsel
Installations, Energy & Environment

Attachments

cc: Ms. Jackie Crews-Pujol, Project Manager, AFCEC/CIUP (via electronic mail)

CONTRACT & LEASE INTERNAL COORDINATION SHEET

Contract/Lease Number: L07-0303-AP Tracking Number: 670-13

Contractor/Lessee Name: Department of the Air Force Grant Funded: YES__ NO__

Purpose: Approve Amend No1 to Lease No. AFMC-EG-1-07-003 with the Depart of the Air Force

Date/Term: Extend 5 Years 1. GREATER THAN \$50,000

Amount: _____ 2. GREATER THAN \$25,000

Department: Airport VPS 3. \$25,000 OR LESS

Dept. Monitor Name: Dino Villani

Document has been reviewed and includes any attachments or exhibits.

Purchasing Review

Procurement requirements are met:

[Signature] Date: 7/2/13

Purchasing Director or designee

Risk Management Review

Approved as written:

[Signature] Date: 7/3/13

Risk Manager or designee

County Attorney Review

Approved as written:

[Signature] Date: 7/6/13

County Attorney

Following Okaloosa County approval:

Contract & Grant

Document has been received:

_____ Date: _____

Contracts & Grants Manager

CDG's

**DEPARTMENT OF THE AIR FORCE
AMENDMENT NO. 1
TO
LEASE NO. AFMC-EG-1-07-003
EGLIN AIR FORCE BASE, FLORIDA**

THIS AMENDMENT, made and entered into between the United States of America, the "Grantor", acting by and through the Secretary of the Air Force, and Okaloosa County, the "Grantee" a political subdivision created under the laws of the State of Florida.

WHEREAS, on or about July 30, 2007, the Air Force granted to Okaloosa County, a lease for the construction, operation and maintenance of the Northwest Florida Regional Airport, on 130.8 acres, more or less, owned by the United States at Eglin AFB, Florida;

WHEREAS, the parties desire to amend the Lease by extending the term to a duration of twenty-five (25) years from the effective date of this amendment.

WHEREAS, pursuant to Condition 28.1, the Grantee is not in default of the lease hereby being amended.

WHEREAS, Condition 4.1 of the lease establishes the base rent to include a 3% per annum increase through lease expiration as established in Exhibit C of the lease and the Parties desire the 3% annual increase to extend through the additional term of the lease as hereby amended.

NOW THEREFORE, the Air Force and Okaloosa County do hereby agree to amend Lease No. AFMC-EG-1-07-003 in the following respects only, effective on the date of execution by the Secretary of the Air Force or his designated representative.

1. The term of the lease is twenty-five (25) years from the date of execution of this Amendment No. 1.
2. The base rent is subject to a 3% annual increase during the additional term of the lease.

IN WITNESS WHEREOF, I have hereunto set my hand at the direction of the Secretary of the Air Force, the 24TH day of JUNE, 2013.

Instr # 2871116 BK: 3108 PG:1776,Page 1 of 2
Recorded 07/25/2013 at 10:01 AM.
RECORDING: \$10.50 RECORDING ARTICLE V: \$8.00

DEPUTY CLERK KSCHOLCRAFT
DON W. HOWARD, CLERK OF COURTS, OKALOOSA COUNTY, FL.

THE UNITED STATES OF AMERICA
by authority of the Secretary of the Air Force

By:



CONNIE M. LOTFI, GS-15
Deputy Director
Installations Center of Excellence

**LEASE # L07-0303-AP
USAF, LEASE # AFMC-EG-1-07-003
130.8 ACRES LAND LEASE/EAST SIDE DEV
EXPIRES: 07/16/2038**

Acceptance

The Grantee hereby accepts this Amendment No. 1 to the Lease and agrees to be bound by it.

DATED: July 16, 2013

Okaloosa County, Florida

By: [Signature]
[Typed name and title]



Attest:

[Signature]

Gary J. Stanford
Printed name



[Signature]

Teresa Ward
Printed name

United States Department of the Air Force



**OKALOOSA REGIONAL AIRPORT
LEASE AGREEMENT**

**DEPARTMENT OF THE AIR FORCE
LEASE AGREEMENT**

OKALOOSA REGIONAL AIRPORT

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LIST OF EXHIBITS

- Exhibit A** - Description and Map of Leased Premises
 - Exhibit B** - Physical Condition Report
 - Exhibit B-2** - Environmental Baseline Survey
 - Exhibit C** - Rent Schedule
 - Exhibit D** - Design Criteria Package
 - Exhibit E** - Operating Agreement
 - Exhibit F** - Escrow Agreement
-

DEPARTMENT OF THE AIR FORCE
LEASE OF PROPERTY
OKALOOSA REGIONAL AIRPORT

THIS LEASE OF PROPERTY ("Lease") is made to be effective as of July 30, 2007, (the "Effective Date"), by and between **THE UNITED STATES OF AMERICA**, acting by and through **THE SECRETARY OF THE AIR FORCE** (the "Secretary" or the "Government") and **OKALOOSA COUNTY**, a political subdivision created under the laws of the State of Florida with its principal offices located at 101 East James Lee Boulevard, Crestview, Florida, 32457 ("Lessee"). The Government and the Lessee may sometimes be referred to jointly as the "Parties," and each separately may be referred to as a "Party."

Recital

The Secretary, under the authority contained in 10 U.S.C. § 2667, has determined:

- (i) that the Leased Premises is not excess property as defined by the Federal Property and Administration Services Act of 1949, as amended (40 U.S.C. § 102(e)), and is not at this time needed for other public use;
- (ii) that a lease of the Leased Premises is advantageous to the United States; and
- (iii) that a lease of the Leased Premises on the terms set forth in this Lease is in the public interest.

Leased Premises

NOW, THEREFORE, the Government, by virtue of the authority conferred by law, for the consideration set out below, hereby leases to the Lessee the property as more specifically described in **Exhibit A** to this Lease (the "Leased Premises"), which consists of one parcel of land situated within the boundaries of Eglin AFB, for purposes of the operation and maintenance of an existing airport terminal and directly related facilities on approximately 108.23 acres; and the construction, development, operation and maintenance of a fuel farm along with secure access and support facilities for rental car agencies on 22.6 acres plus a portion of the 108.23 acres as more fully described in the Design Criteria Package. The term "Project" shall refer collectively to the Leased Premises and the Leased Premises Improvements.

AND GRANTS TO LESSEE the right to gain access to the Leased Premises through a route or routes designated from time to time by the Government, and to use the streets, driveways, sidewalks, and walkways on Eglin AFB for the purposes of pedestrian and vehicular ingress and egress to and from the Leased Premises in order to fulfill its contractual obligations for completion, operation, and maintenance of the Project, as such obligations are set forth in the Project Documents. The Government reserves the right to change, modify, or eliminate, or temporarily close any portion or portions of streets, driveways, sidewalks, and walkways. Provided, however, the Government agrees that it will not change, modify, eliminate, or

temporarily close such streets, driveways, sidewalks, and walkways in a manner that will unreasonably interfere with the Lessee's use or the value of the Leased Premises under this Lease.

RESERVING, HOWEVER, unto the Government general access to the Leased Premises for the purpose of exercising the rights, interests, privileges, and benefits, to the extent that those rights interests, privileges, and benefits go across, include, or encompass all or part of the Leased Premises located within the Leased Premises, and to the extent they are needed by the Government for the operation, security, or safety of Eglin AFB, or its assigned personnel, or for any other reasonable purpose.

THIS LEASE is granted subject to the following conditions:

CONDITION 1.

TERM AND DELIVERY OF POSSESSION

1.1. THIS LEASE shall be for a term beginning at 12:01 a.m., July 30, 2007, ("Term Beginning Date") and of a duration of twenty-five (25) years ending at 12:00 p.m., July 29, 2032 ("Term Expiration Date"), unless sooner terminated in accordance with the terms contained in this Lease. The period from the Term Beginning Date through the Term Expiration Date shall be referred to as the "Lease Term."

1.2. Possession of the Leased Premises will be delivered on the Term Beginning Date.

1.3 The parties agree this Lease supersedes and replaces Lease NO. AFMC-EG-1-01-004, which will be revoked and terminated on the Term Beginning Date of this Lease.

1.4 In the event that during the Lease Term the Joint-Use Agreement between Lessee and Government is terminated or non-renewed upon the expiration thereof, the Lessee shall have the right, upon thirty (30) days written notice to the Government in accordance with Condition 20, to terminate this Lease.

CONDITION 2.

EASEMENTS AND RIGHTS OF WAY

2.1. This Lease is subject to any and all easements, rights in the nature of easements, rights of way, licenses, and other property rights and interests (collectively, "Outgrants"), whether of public record or not, for any purpose with respect to the Leased Premises. The Government shall have the right to reserve unto itself, or to grant to third parties, additional Outgrants. However, any such additional Outgrants shall not unreasonably interfere with the Lessee's use under this Lease or the value of the Leased Premises.

In addition, the Government may not unreasonably withhold or delay Outgrants for utilities and other purposes reasonably necessary to the construction and maintenance of utilities on the Leased Premises by the Lessee; however, any such additional Outgrants shall not interfere with the operations of the Government on portions of Eglin AFB not within the Leased Premises.

Obtaining or procuring any Outgrants over real property not owned or controlled by the Government shall be the responsibility of the Lessee, at the Lessee's sole cost and expense.

2.2. The holders of Outgrants, present or future shall have reasonable rights of ingress and egress over the Leased Premises in order to carry out the purpose of such Outgrants. These rights may also be exercised by workers engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located on the Outgrants, and by any Federal, state, or local official engaged in the official inspection thereof. Such additional Outgrants (i) shall not unreasonably interfere with the Lessee's interest in the Leased Premises, or the quiet enjoyment of Sublessees; and (ii) shall be on commercially reasonable terms.

CONDITION 3.

CONDITION OF LEASED PREMISES

3.1. The Lessee has inspected, knows, and accepts the condition and state of repair of the Leased Premises. It is understood and agreed that the Leased Premises are leased in an "AS IS," "WHERE IS" condition, without any representation or warranty by the Government concerning their condition, and without obligation on the part of the Government to make any alterations, repairs, or additions. Except as set forth in **Condition 10.7**, the Government shall not be liable to the Lessee for any damages or losses, whether direct or consequential, incurred by the Lessee as the result of the discovery of any latent or patent defect in or on the Leased Premises. The Lessee acknowledges that the Government has made no representation or warranty concerning the condition and state of repair of the Leased Premises, or any agreement or promise to alter, improve, adapt, or repair them that has not been fully set forth in this Lease.

3.2. The Lessee represents, warrants, and acknowledges that it has entered into this Lease on the basis of its own full investigation of all facts relating to, and conditions underlying, the Leased Premises and the development and use of the Leased Premises, including without limitation, environmental conditions, and that it has solely relied upon its own investigation. Given the Lessee's deemed knowledge of the facts and conditions affecting the Leased Premises, the Lessee shall exercise an appropriate level of care when conducting any ground-disturbing activities to ensure that such activities do not result in the unmanaged release of any hazardous substances, materials, or waste of any kind, including, but not limited to, pesticides, asbestos, and lead-based paint. The Lessee shall also be responsible for exercising an appropriate level of care with respect to any underground pipes and related infrastructure that may exist within the Leased Premises. The Lessee waives any claim or cause of action the Lessee may have against the Government under any Federal, state, or local law, ordinance, rule, or regulation now existing or hereafter enacted or promulgated, relating to environmental matters or conditions, in, on, under, about, or migrating from or onto, the Leased Premises, or by virtue of any common law right related to environmental conditions or matters in, on, under, about, or migrating from or onto, the Leased Premises except for (i) pre-existing environmental conditions that are attributable to the Government and that are not exacerbated by the Lessee, and that the Government specifically accepts responsibility for under **Condition 10** of this Lease; and (ii) Hazardous Substance releases caused by the Government that migrate onto the Leased Premises and that are not exacerbated by the Lessee. The provisions of this **Condition 3.2** shall survive the expiration of this Lease.

3.3. A physical condition report ("PCR") has been jointly prepared and signed by representatives of the Government and the Lessee and is attached as Exhibit B. The PCR sets forth the agreed physical appearance and condition of the Leased Premises on the Term Beginning Date as determined from a joint inspection by the Parties. A separate PCR of the Leased Premises will be prepared by the Government, within ten (10) days after the expiration or earlier termination of this Lease for the Leased Premises ("Final PCR"). The Final PCR will be used by the Government to determine whether the Lessee has fulfilled its obligations to maintain and restore the Leased Premises under this Lease, including without limitation, **Condition 9** and **Condition 11**.

3.4. An Environmental Baseline Survey for the Leased Premises at Eglin Air Force Base ("EBS") dated November 2005 and a Final Environmental Assessment dated June 2006 has been delivered to the Lessee. The EBS sets forth those environmental conditions and matters on and affecting the Leased Premises as of its effective date as determined from the records and analyses reflected therein. The EBS is not, and shall not constitute, a representation or warranty on the part of the Government regarding the environmental or physical condition of the Leased Premises and the Government shall have no liability in connection with the accuracy or completeness thereof. In this regard the Lessee acknowledges and agrees that the Lessee has relied, and shall rely, entirely on its own investigation of the Leased Premises in determining whether to enter into this Lease. A separate EBS for the Leased Premises will be prepared by the Government, after the expiration or earlier termination of this Lease. Such Final EBS will document the environmental conditions and matters on and affecting the Leased Premises on the ending date of this Lease as determined from the records and analyses reflected therein. The Final EBS will be used by the Government in determining whether the Lessee has fulfilled its obligations to maintain and restore the Leased Premises under this Lease including without limitation, **Condition 9** and **Condition 10**.

CONDITION 4.

RENT

4.1. Base Rent. The Government shall receive rent ("Base Rent") in the form of in-kind consideration in the amounts and at the times as set forth in the detailed Rent Schedule at Exhibit C. Beginning on October 1, 2007 and continuing annually thereafter, the amount of the Base Rent increases by three percent (3%) per annum from the Term Beginning Date as reflected in the Rent Schedule at Exhibit C. The Parties agree that appropriate in-kind consideration shall consist only of those categories of goods and services identified in 10 U.S.C. §2667 (c)(1), as amended.

4.2. Additional Rent. The following events shall constitute Additional Rent or cause the Base Rent to increase: (i) any interest earned on the funds in the In-Kind Consideration Account ("ICA"), which interest shall remain in the ICA; (ii) in the event the Lessee at any time during the term of this Lease intends to expand operations beyond those of a regional commercial aviation facility on the Leased Premises (i.e. a hotel or other commercial facility not related to an airport purpose or need), the Government and Lessee shall in good faith negotiate an equitable adjustment to the total Base Rent set forth in section 4.1 above.

4.3. Late Charges and Default Interest. If any installment of Rent is not paid to the ICA within ten (10) business days after its due date, then such arrearage shall, consistent with the Debt Collection Act of 1982 (31 U.S.C. § 3717), (i) bear interest from the due date at the rate prescribed by the Secretary of the Treasury for amounts past due to the Federal government until paid in full; (ii) include an administrative charge to cover the costs of processing and handling delinquent debts; and (iii) include an assessment of an additional penalty charge on any portion of a debt that is more than 90 days past due.

4.4. Rent Payments. All Rent shall be paid into the ICA without deduction, offset, prior notice, or demand as directed pursuant to this Lease.

4.5. Rent Abatement. The Base Rent payable hereunder shall be abated for any period during the Lease Term during which Lessee is unable to use the Leased Premises or the Leased Premises Improvements, or any material or substantial portion thereof, due to the needs of national defense. This provision shall not apply to actions taken by the Government because of an Event of Default by Lessee under the terms of this Lease.

CONDITION 5.

OPERATING AGREEMENT

5.1. The Operating Agreement dated of even date herewith is hereby incorporated into and made a part of this Lease (the "Operating Agreement"). The Operating Agreement sets forth certain detailed procedures and requirements to be followed by the Lessee in designing, demolishing, constructing, renovating, operating, and maintaining the Leased Premises. In the event of any amendment of the Operating Agreement, the amended Operating Agreement will be deemed to be substituted in lieu of the existing one.

5.2. The Lessee shall operate the Project in accordance with the Design Criteria Package and the Operating Agreement. Each such plan shall be referred to in this Lease by the title stated above.

5.3. In the event of any inconsistency between any provisions of the Operating Agreement, as it presently exists or may be amended in the future, and any provisions of this Lease, the provisions of this Lease will control.

CONDITION 6.

USE OF LEASED PREMISES

6.1. The sole purpose for which the Leased Premises and the Leased Premises Improvements in the absence of prior written approval of the Government for any other use, is for the operation and maintenance of an existing airport terminal and directly related facilities on approximately 108.23 acres; and the construction, development, operation and maintenance of a fuel farm along with secure access and support facilities for rental car agencies on 22.6 acres plus a portion of the 108.23 acres as more fully described in the Design Criteria Package. The Lessee shall comply, at its own expense, with all Applicable Laws. The Lessee shall not use or

occupy the Leased Premises in any manner that is unlawful or dangerous or that shall constitute waste, unreasonable annoyance, or a nuisance to the Government.

Unless a waiver is granted by the Government, in no event shall the Leased Premises be used by the Lessee for any of the following:

Ultra-hazardous activities involving the storage, treatment, transportation, disposal, or manufacture of hazardous materials, hazardous substances, or hazardous wastes.

Activities that adversely affect the health, safety, morals, welfare, morale, and discipline of the Armed Forces, such as the sale or use of drug abuse paraphernalia, illicit gambling, and prostitution.

Partisan political activities.

Activities by entities advocating the overthrow of the United States.

6.2 The Lessee shall be responsible for all operations its employees and any contractors conduct on the Leased Premises. The foregoing includes any damage to the site or equipment. The Lessee shall ensure that the operations conducted on the Leased Premises will not interfere with the operation of the Eglin AFB mission. The Lessee shall be responsible for any injuries to its employees or contractors while working on the site in accordance with Condition 14 of this Lease.

6.3 The Lessee shall be responsible for obtaining an approved fuel source/supply for operation of the Leased Premises.

6.4 The Lessee shall operate and maintain the Airport in accordance with accepted principles of management of a commercial airport.

6.5 The Lessee shall comply with all Federal Aviation Administration ("FAA") procedures, requirements and restrictions, which may be applicable to an airport.

6.6 The Lessee, as an accommodation to its passengers and customers, may provide or sell through its sublessees, tenants, concessionaires or contract providers such services and commodities as are normally considered incidental to the practical operation of a commercial aviation facility, including but not limited to, food and beverage services, parking and car rental services, flight insurance, baggage insurance and receipt for transmittal or delivery of electronic messages.

6.7 The County shall also have the right to use the Leased Premises to construct, develop, operate and maintain Additional Improvements as are reasonably necessary to replace or expand existing facilities or provide new facilities needed for the operation of a commercial aviation facility on the Leased Premises. These Additional Improvements are subject to the Government's approval in a subsequent Design Criteria Package pursuant to Condition 17.

CONDITION 7.

DEFAULT, REMEDIES, AND TERMINATION

7.1. Any one or more of the following shall constitute an event of default ("Event of Default") under this Lease by the Lessee:

7.1.1. The Lessee's failure to comply with any provision of this Lease, where such failure to comply continues for thirty (30) days after delivery of written notice thereof by the Government to the Lessee and all Approved Mortgagees. If, however, such default is not reasonably susceptible to cure within such thirty (30) day period, the Lessee shall have such longer period as may be approved in writing in advance by the Government, which approval shall not be unreasonably withheld, to cure such default so long as the Lessee commences curing such default within the initial thirty (30) day period and diligently prosecutes such cure to completion in accordance with a schedule approved in writing by the Government, which approval shall not be unreasonably withheld.

7.1.2. The failure of the Lessee to pay Rent, when due and such failure remains uncured for a period of ten (10) days after written notice to the Lessee by the Government of the Lessee's failure to pay such amount.

7.1.3. The Lessee voluntarily files for bankruptcy protection under the United States Bankruptcy Code (the "Bankruptcy Code") or voluntarily becomes subject to any reorganization, receivership, insolvency proceeding, or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an involuntary case is commenced against the Lessee by any creditor of the Lessee pursuant to the Bankruptcy Code or other federal or state law affecting debtor and creditor rights and is not dismissed or discharged within sixty (60) days after filing.

7.1.3.1. If any voluntary or involuntary petition is filed under the Bankruptcy Code by or against the Lessee (other than an involuntary petition filed by or joined in by the Government), the Lessee shall not assert, or request any other party to assert, that the automatic stay under the Bankruptcy Code shall operate or be interpreted to stay, interdict, condition, reduce, or inhibit the ability of the Government to enforce any rights it has by virtue of any agreement between the Parties, or any other rights that the Government has, whether now or hereafter acquired, against any party responsible for the debts or obligations of the Lessee under such agreements. Furthermore, the Lessee shall not seek a supplemental stay or any other relief, whether injunctive or otherwise, pursuant to the Bankruptcy Code, to stay, interdict, condition, reduce, or inhibit the ability of the Government to enforce any of its rights under such agreements against any party responsible for the debts or obligations of the Lessee. The waivers contained in this Condition are a material inducement to the Government's willingness to enter into this Lease and the Lessee acknowledges and agrees that no grounds exist for equitable relief that will bar, delay, or impede the exercise by the Government of its rights and remedies under such agreements against the Lessee or any party responsible for the debts or obligations of the Lessee.

7.1.3.2. If any or all of the Project or any interest in the Project becomes the property of any bankruptcy estate or subject to any state or Federal insolvency proceeding, then the Government shall immediately become entitled, in addition to all other relief to which the Government may be entitled under any agreement between the Parties, to obtain (i) an order from the Bankruptcy Court or other appropriate court granting immediate relief from the automatic stay pursuant to the Bankruptcy Code so as to permit the Government to pursue its rights and remedies at law and in equity under applicable state law, and (ii) an order from the Bankruptcy Court prohibiting the Lessee's use of all "cash collateral," as defined under the Bankruptcy Code. In connection with such Bankruptcy Court orders, the Lessee shall not contend or allege in any pleading or petition filed in any court proceeding that the Government does not have sufficient grounds for relief from the automatic stay. The Lessee acknowledges and agrees that any bankruptcy petition or other action taken by the Lessee to stay, condition, or prevent the Government from exercising its rights or remedies under this Lease or any other agreement between the Parties shall be deemed to be in bad faith.

7.1.4. At the election of the Government and upon written notice thereof to the Lessee, the occurrence of a "In-Kind Consideration Account ("ICA") Event of Default." As used in this **Condition 7.1.4**, a "ICA Event of Default" means failure to comply with the ICA Requirements identified in **Condition 25**.

7.2. No Event of Default shall be deemed to have occurred for any period of time during which an "Excusable Delay," as defined in **Condition 34**, exists or the Lessee and the Government are attempting to resolve a dispute about an alleged default as provided in **Conditions 23.1** or **23.2**. For an Excusable Delay, the Lessee's period for cure shall be tolled for the period of time that the Excusable Delay exists. For a dispute, if, pursuant to the dispute resolution procedures set forth in **Conditions 23.1** and **23.2**, a default is determined to have occurred, the Lessee's period for cure shall not begin until the day after the final decision on the dispute is issued, and such default shall not become an Event of Default until any applicable cure period has expired.

7.3. Subject to **Condition 22.7**, this Lease may be terminated as provided below:

7.3.1. The Government may terminate this Lease upon written notice to the Lessee, and without any cost or liability to the Government, if an Event of Default exists. Such notice shall be referred to as a "Default Termination Notice" and shall be effective as of the date specified therein, which shall be at least five (5) but not more than thirty (30) days after its receipt by the Lessee.

7.3.2. Either of the Government or the Lessee may terminate this Lease, upon written notice to the other Party in the event of Extensive Damage or Destruction of Improvements, as that term is defined in **Condition 15.5.2**. Such notice shall be referred to as a "Termination Notice for Extensive Damage or Destruction of Improvements" and shall be effective as of the date to be specified therein, which shall be at least thirty (30) days but not more than forty five (45) days after its receipt by the Lessee.

7.4. The Lessee hereby waives any claims or suits against the Government arising out of any termination of this Lease pursuant to **Condition 7.3**.

7.5. If an Event of Default exists and all notices of such Event of Default required by this Lease have been given, then subject to the rights, if any, of an Approved Mortgagee, the Government shall have the following rights and remedies in addition to all other rights and remedies available to the Government at law or in equity:

7.5.1. The Government shall have the right to enforce specific performance by the Lessee of its obligations under this Lease in any state or federal court of competent jurisdiction.

7.5.2. The Government shall have the right to take possession of the Project and operate, repair, restore, maintain, manage, and use the Project in accordance with the provisions of this Lease.

7.5.3. The Government shall have the right to obtain the appointment of a receiver to take possession of the Project and operate, repair, restore, maintain, manage, and use the Project in accordance with the provisions of this Lease.

7.5.4. The Government shall have the right to terminate any management agreement relating to the Project without payment of any termination fee or other similar fee or premium.

7.5.5. The Lessee shall reimburse the Government for the cost of all repairs and maintenance by the Government.

7.5.6. The Government shall have the right to pursue more than one right or remedy at the same time.

7.6. If the Lessee advises the Government that the Lessee is unable to obtain FAA grants or other funding or operational benefits or meet its operational or contractual obligations with the FAA, the Government agrees to consult with the FAA and the Lessee in an attempt to resolve, in a good faith effort, the concerns of the Lessee before taking action under Conditions 7.5.2, 7.5.3, and 7.5.4.

CONDITION 8.

TAXES

8.1. The Lessee shall pay to the proper authority, when and as the same become due and payable, all taxes, assessments, and similar charges which, at any time during the term of this Lease may be imposed on the Lessee or the Project. Each Party shall have the right (a) to contest any such taxes, assessments or similar charges, and (b) to take such actions as may be necessary and appropriate (i) to contest the validity, applicability or amount thereof; (ii) to minimize such taxes, assessments or charges; or (iii) to assert any exemption which may be available with respect to taxes, assessments or charges imposed on the Project. If and to the extent the Land comprising the Leased Premises is later made taxable by State or local governments under an Act of Congress, this Lease shall be renegotiated pursuant to 10 U.S.C. § 2667(e).

CONDITION 9.

RESTORATION AND SURRENDER

9.1. No later than one hundred eighty (180) days after the Lease Termination Date, or the effective date of a Default Termination Notice pursuant to **Condition 7.3.1** or a Termination Notice for Extensive Damage or Destruction of Improvements pursuant to **Condition 7.3.2**, as applicable, or a date mutually agreed to by Lessee and the Government (the "Restoration Deadline"), the Lessee shall remove all of the Leased Premises Improvements and its other property from the Leased Premises and restore the Leased Premises to the reasonable satisfaction of the Government.

9.2. Except to the extent not required because of a Government Retention Notice pursuant to **Condition 9.3**, no later than five (5) years prior to the Lease Termination Date or within forty-five (45) days after Lessee's receipt of a Default Termination Notice or a Termination Notice for Extensive Damage or Destruction of Improvements, the Lessee shall provide to the Government (a) a report (an "Improvement Removal Report") prepared by a construction and demolition expert approved by the Government, such approval not to be unreasonably withheld or delayed, which report details and estimates the cost of removing all improvements on the Leased Premises and (b) a written plan which sets forth how Lessee proposes to discharge its removal and restoration obligations pursuant to this **Condition 9**.

9.3. Notwithstanding anything to the contrary in this **Condition 9**, no later than one (1) year prior to the Lease Termination Date or concurrently with the delivery to Lessee of a Default Termination Notice or a Termination Notice for Extensive Damage or Destruction of Improvements, as applicable the Government may provide written notice to Lessee of its election to require that all or any portion of the Leased Premises Improvements revert or be transferred to the Government, at no cost, on the Lease Termination Date or the effective date of any Default Termination Notice or Termination Notice for Extensive Damage or Destruction (a "Government Retention Notice").

9.4. If the Government delivers a Government Retention Notice to Lessee in accordance with **Condition 9.3**, for all or any portion of the Leased Premises Improvements and the personal property of the Lessee located therein, then on the Lease Termination Date, or the effective date of a Default Termination Notice pursuant to **Condition 7.3.1** or a Termination Notice for Extensive Damage or Destruction of Improvements pursuant to **Condition 7.3.2**, the Lessee shall terminate its operations on the Leased Premises and vacate and surrender possession of the Leased Premises and the Leased Premises Improvements and any personal property of the Lessee located therein described in the Government Retention Notice to the Government. Such reversion or transfer shall be automatic and at no cost to the Government. The Lessee shall execute any documentation reasonably requested by the Government to confirm or effect such conveyance, which conveyance shall be free and clear of any and all encumbrances other than those approved by the Government pursuant to **Condition 22**.

9.5. After completion of any demolition required pursuant to this **Condition 9** of all or any portion of the at grade, above-grade and below-grade structures, buildings and improvements of any kind whatsoever placed or maintained on the Leased Premises, whether placed thereon or

maintained by Lessee or others before or after the Term Beginning Date, including, but not limited to, concrete foundations, pilings, structures and buildings, Lessee shall immediately restore, and quit, and peacefully surrender possession of, the Leased Premises to the Government in good, usable, and buildable condition, consisting of a level, graded buildable pad with no excavations, hollows, hills or humps other than those existing prior to the removal of such structures.

9.6. If the Lessee fails, refuses, or neglects to satisfy its removal and restoration obligations pursuant to this **Condition 9**, then at the option of the Government and subject to the liens of any Approved Mortgagee, the Leased Premises Improvements and the personal property of the Lessee located therein shall either become the property of the Government without compensation therefore, or the Government may cause it to be removed and/or destroyed and the Leased Premises to be so restored at the expense of the Lessee, and no claim for damages against the Government, its officers, employees, agents, or contractors shall be created by or made on account of such removal and/or destruction and restoration work. The Lessee shall reimburse the Government for any expenses it incurs to restore the Leased Premises to the condition required by this **Condition 9** within thirty (30) days after the Government provides written notice to Lessee of the reimbursement amount together with reasonable documentary support for the reimbursement amount.

9.7. Unless the Government delivers a Government Retention Notice to Lessee for all of the Leased Premises Improvements, then during the period after the Lease Termination Date, the effective date of a Default Termination Notice or the effective date of a Termination Notice for Extensive Damage or Destruction of Improvements, as applicable, until the date on which Lessee satisfies its obligations under **Condition 9.1** or such later date as may be provided, all obligations set forth in **Conditions 10, 12, 14, 15.2.2, 15.3.3 and 15.4** shall remain in full force and effect.

9.8. If the Lessee advises the Government that the Lessee is unable to obtain FAA grants or other funding or operational benefits or meet its operational or contractual obligations with the FAA, the Government agrees to consult with the FAA and the Lessee in an attempt to resolve, in a good faith effort, the concerns of the Lessee before taking action under Conditions 9.3 and 9.4.

CONDITION 10.

ENVIRONMENTAL PROTECTION

10.1. The Lessee shall comply with all Applicable Laws that are or may become applicable to Lessee's activities on the Leased Premises.

10.2. The Lessee shall obtain at its cost and expense any environmental permits required for its operations under this Lease, independent of any existing permits.

10.3. The Lessee shall indemnify, defend, save, and hold harmless the Government from any claims for damages, response, remediation or other costs, expenses, liabilities, fines, or penalties resulting in any way from releases, discharges, emissions, spills, storage, handling,

disposal, or any other acts or omissions by the Lessee, its officers, agents, employees, contractors, subcontractors or any Sublessees or licensees, or the invitees of any of them, giving rise to Government liability, civil or criminal, or responsibility under Applicable Laws.

10.3.1. This **Condition 10.3** shall survive the expiration or termination of this Lease, and the Lessee's obligations under this **Condition 10.3** shall apply whenever the Government incurs costs or liabilities of the types described in this **Condition 10**.

10.3.2. Asbestos-Containing Materials (ACM). The Lessee is warned that the Leased Premises may contain current and former improvements, such as buildings, facilities, equipment, and pipelines, above and below the ground that may contain ACM. The Lessee is cautioned to use due care during property development activities that may uncover pipelines or other buried ACM. Prior to undertaking such development activities, the Lessee is responsible for inquiring as to whether the Government has records of the location, type, quantity, and characteristics of asbestos in any improvements prior to renovation, maintenance, repairs, or construction that may disturb suspect materials. If the Government does not have adequate records to substantiate the status or presence of ACM, the Lessee is required to obtain the necessary confirmatory samples and obtain analysis by a State of Florida certified laboratory for the analysis of bulk materials for asbestos. The Government is not responsible for any handling, removal or containment of asbestos or ACM, or to the extent consistent with applicable law, for any liability related thereto. The Lessee will perform any and all asbestos work in accordance with all applicable laws. Lessee personnel will be trained and certified as required in accordance with the State of Florida's asbestos administrative code. The Lessee will be responsible for removal and disposal of all ACM in the improvements on the Leased Premises and will incorporate an asbestos disposal plan in the plans for renovation or demolition on the Leased Premises to be submitted to the Government in accordance with **Condition 17** of this Lease. The asbestos disposal plan will identify the proposed disposal site for the asbestos. Removal and disposal of ACM must be carried out in compliance with all applicable federal, state, and local laws, rules, regulations, and standards. The Lessee further acknowledges that the Government assumes no liability for property damages or damages for personal injury, illness, disability, or death to the Lessee, or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, or other activity causing or leading to contact of any kind whatsoever with asbestos on or from the Leased Premises, whether the Lessee has properly warned, or failed to properly warn, the persons injured.

10.4. [Reserved]

10.4.1. Lead-Based Paint. The Lessee recognizes and acknowledges that lead based paint materials ("LBP") may be present on exterior and interior surfaces of facilities within the Leased Premises or in the soil. The Lessee will be responsible at its sole cost and expense for the management, maintenance, removal and disposal of all LBP either located in or attributable to the Leased Premises Improvements. Removal and disposal of LBP must be carried out in compliance with all Applicable Laws. The Lessee further acknowledges that it is responsible at its sole cost and expense for complying with the requirements of the Residential Lead Based Paint Hazard Reduction Act of 1992 (42 U.S.C. §§ 4851 – 4856), if applicable.

10.4.2. [Reserved]

10.5. Notwithstanding any other provision of this Lease to the contrary (other than provided in this **Condition 10**), the Lessee, as between the Parties, does not assume any liability (including liability to third parties) or responsibility for environmental impacts and damage caused by the Government's use of toxic or hazardous wastes, substances, or materials on any portion of Eglin AFB, including the Leased Premises. The Lessee has no responsibility or obligation under this Lease to undertake the defense of any claim or action, whether in existence now or brought in the future, alleging environmental impacts and damage solely arising out of the use of or release of any toxic or hazardous wastes, substances, or materials on or from any part of Eglin AFB, including the Leased Premises, occurring prior to the Term Beginning Date. Further, the Lessee shall have no obligation to undertake environmental response, remediation, or cleanup relating to such use or release. As used in this **Condition 10**, the terms "toxic or hazardous wastes, substances or materials" shall include any flammables, explosives, radioactive materials, or other hazardous wastes, substances, or materials including, without limitation, substances defined as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA")(42 U.S.C. §§ 9601-9675), the Hazardous Materials Transportation Act, and the Resource Conservation and Recovery Act ("RCRA"), all as now or hereafter amended. The Government acknowledges that pursuant to section 120 of CERCLA, the Government is subject to liability imposed by section 107 of CERCLA to the extent that it is responsible for the release or disposal of a hazardous substance on the Leased Premises. The Government agrees, as between the Parties, that it will not consider or seek to have others consider, the Lessee a potentially responsible Party solely due to the presence of a hazardous substance on the Leased Premises on the Term Beginning Date, provided that the Lessee has not by its acts or omissions caused the release or further release of such hazardous substance, released or disposed of new or additional hazardous substances, or increased the cost of a required response action. Nothing in this acknowledgment shall be construed to affect the liability of any person or entity, including the Lessee, under sections 106 or 107 of CERCLA.

10.5.1. For the purposes of this **Condition 10**, "defense" or "environmental response, remediation, or cleanup" includes liability and responsibility for the costs of damage, penalties, legal, and investigative services relating to such use or release. "Occupancy" or "use" shall mean any activity or presence (including preparation and construction) in or upon the Leased Premises.

10.5.2. This Condition does not relieve the Lessee of any obligation or liability the Lessee might have or acquire with regard to third parties or regulatory authorities by operation of law.

10.5.3. This Condition shall survive the expiration or termination of this Lease.

10.6. The Lessee must comply with all Applicable Laws relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes.

10.7. Hazardous Waste. Except as provided in this Condition 10.7 authorizing the temporary accumulation of toxic or hazardous material on the Leased Premises, the Lessee must obtain written Government approval, as required by 10 U.S.C. § 2692, prior to storing, treating, or disposing of any toxic or hazardous material on the Leased Premises. Toxic or hazardous material includes any material that is a "hazardous substance" under section 101(14) of CERCLA, or designated a "hazardous substance" by the U.S. Environmental Protection Agency under section 102 of CERCLA. The Lessee shall strictly comply with the hazardous waste permit requirements under RCRA, as amended, or its Florida equivalent and all Applicable Laws. The Lessee shall be liable for any violations of the requirements set forth in this **Condition 10.7**. The Lessee shall be liable for the cost of proper disposal of any hazardous waste generated by any Sublessee in the event of failure by the Sublessee to dispose of such wastes properly.

10.7.1. The Lessee must provide, at its own expense, such hazardous waste accumulation points, complying with all laws and regulations, as it may need for the temporary accumulation of hazardous wastes prior to such wastes being disposed of in accordance with Applicable Laws. The Lessee will not use Government accumulation points for hazardous and other wastes and the Lessee will not permit its hazardous waste to be commingled with hazardous wastes of the Government.

10.7.2. Any violation of the requirements of this **Condition 10.7** shall constitute a material breach of this Lease.

10.8. On or before the Effective Date, the Government shall provide the Lessee access to the Eglin AFB Installation Restoration Program ("IRP") records, if any, and thereafter shall provide to the Lessee a copy of any amendments to or restatements of the Eglin AFB IRP records affecting the Leased Premises. The Lessee expressly acknowledges that it fully understands that some or all of the response actions to be undertaken with respect to the Eglin AFB IRP may impact the Lessee's quiet use and enjoyment of the Leased Premises. The Lessee agrees that notwithstanding any other provision of this Lease, the Government shall have no liability to the Lessee or its Sublessees should implementation of the Eglin AFB IRP or other hazardous waste cleanup requirements, whether imposed by law, regulatory agencies, or the Government or the Department of Defense, interfere with the Lessee's or its Sublessee's use of the Leased Premises. The Lessee shall have no claim or cause of action against the United States, or any officer, agent, employee, contractor, or subcontractor thereof, on account of any such interference, whether due to entry, performance of remedial or removal investigations, or exercise of any right with respect to the Eglin AFB IRP or under this Lease or otherwise.

10.9. The Government and its officers, agents, employees, contractors, and subcontractors shall have the right, upon reasonable notice to the Lessee, to enter upon the Leased Premises for the purposes enumerated in this Condition.

10.9.1. To conduct investigations and surveys, including, where necessary, drilling, soil and water samplings, testpitting, testing soil borings, and other activities related to the Eglin AFB IRP;

10.9.2. To inspect field activities of the Government and its contractors and subcontractors in implementing the Eglin AFB IRP;

10.9.3. To conduct any test or survey related to the implementation of the Eglin AFB IRP or environmental conditions at the Leased Premises or to verify any data submitted to the United States Environmental Protection Agency (EPA) or the Florida Department of Environmental Protection by the Government relating to such conditions; and

10.9.4. To construct, operate, maintain, or undertake any other response or remedial action as required or necessary under the Eglin AFB IRP, including, but not limited to, monitoring wells, pumping wells, and treatment facilities.

Any investigations and surveys, drilling, testpitting, test soil borings, and other activities undertaken pursuant to this Condition shall be conducted in a manner that is as inconspicuous as practicable. Any monitoring wells, pumping wells, and treatment facilities required pursuant to this Condition shall be designed and installed to be as inconspicuous as practicable. The Government shall attempt to minimize any interference with the Lessee's quiet use and enjoyment of the Leased Premises arising as the result of such wells and treatment facilities. The Government shall, subject to the availability of appropriations therefor, repair any damage caused by its exercise of the rights in this paragraph.

10.10. The Lessee agrees to comply with the provisions of any health or safety plan in effect under the Eglin AFB IRP (to the extent the Lessee has received notice thereof), or any hazardous substance remediation or response agreement of the Government with environmental regulatory authorities (to the extent the Lessee receives notice thereof if the agreement is not of public record) during the course of any of the above-described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by the Lessee. The Lessee and any Sublessees, assignees, licensees, or invitees shall have no claim on account of such entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof, except to the extent permitted under Federal law, including the Federal Tort Claims Act.

10.11. The Lessee must maintain and make available to the Government all records, inspection logs, and manifests that track the generation, handling, storage, treatment, and disposal of hazardous waste, as well as all other records required by Applicable Laws. The Government's rights under this Lease specifically include the right for Government officials to inspect the Leased Premises, upon reasonable notice as provided under **Condition 13**, for compliance with Applicable Laws, including environmental laws, rules, regulations, and standards, particularly those relating to the generation, handling, storage, treatment, and disposal of hazardous waste, as well as to the discharge or release of hazardous substances, whether or not the Government is responsible for enforcing them. Such inspections are without prejudice to the right of duly constituted enforcement officials to make such inspections. Violations identified by the Government will be reported to the Lessee and to appropriate regulatory agencies, as required by applicable law. The Lessee will be liable for the payment of any fines and penalties that may be imposed as a result of the actions or omissions of the Lessee.

10.12. The Lessee shall have an approved plan prior to commencement of operations on the Leased Premises for responding to hazardous waste, fuel, and other chemical spills. The plan shall comply with all applicable requirements and shall be updated as required to comply with changes in site conditions or applicable requirements and shall be approved by all agencies having regulatory jurisdiction over such plan. The plan shall be independent of Government spill prevention and response plans. Except for initial fire response and/or spill containment, the Lessee shall not rely on use of Eglin AFB personnel or equipment in execution of its plan. The Lessee shall file a copy of the approved plan and approved amendments thereto with the Government within fifteen (15) days of approval. Should the Government provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise on request of the Lessee or because the Lessee was not, in the opinion of the Government, conducting timely cleanup actions, the Lessee agrees to reimburse the Government for its costs as Supplemental Rent, and in accordance with all Applicable Laws.

10.13. Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), the Lessee shall prepare a plan for storage, mixing, and application of pesticides ("Pesticide Management Plan"). The Pesticide Management Plan shall be sufficient to meet all Applicable Laws. The Lessee shall store, mix, and apply all pesticides within the Leased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

10.14. The Lessee shall comply with all requirements of the Federal Water Pollution Control Act, the National Pollutant Discharge Elimination System (NPDES), and any applicable state or local requirements. If the Lessee discharges wastewater to a publicly or federally owned treatment works, the Lessee must submit a Pretreatment Permit Application prior to the Term Beginning Date. The Lessee will be responsible for meeting all applicable wastewater discharge permit standards. The Lessee will not discharge wastewater under the authority of any NPDES permit, pretreatment permit, or any other permit issued to Eglin AFB. The Lessee or its Sublessees shall make no use of any septic tank installed on Eglin AFB.

10.15. The Lessee must notify the Government of the Lessee's intent to possess, store, or use any "licensed or licensable source or by product materials," as those terms are defined under the Atomic Energy Act and its implementing regulations; of the Lessee's intent to possess, use, or store radium; and of the Lessee's intent to possess or use any equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulations, at least sixty (60) days prior to the entry of such materials or equipment upon Eglin AFB. Upon notification, the Government may impose such requirements, including prohibition of possession, use, or storage, as deemed necessary to adequately protect health and the human environment. Thereafter, the Lessee must notify the Government of the presence of all licensed or licensable source or by product materials, of the presence of all radium, and of the presence of all equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulation; provided, however, that the Lessee need not make either of the above notifications to the Government with respect to source and by product material that is exempt from regulation under the Atomic Energy Act. The Lessee shall not, under any circumstances, use, own, possess, or allow the presence of special nuclear material on the Leased Premises.

10.16. The Lessee will comply with the Eglin AFB water conservation policy, as amended from time to time (to the extent that such policy exists and the Lessee receives copies thereof), from the Term Beginning Date through the Completion Date. After the Completion Date, the Lessee shall comply with all of Okaloosa County, Florida water conservation policies.

10.17. The Lessee will use all reasonable means available to protect environmental and natural resources, consistent with Applicable Laws and this Lease. Where damage nevertheless occurs, arising from the Lessee's activities, the Lessee shall be fully liable for any such damage.

10.18. The Lessee shall not remove or disturb, or cause or permit to be removed or disturbed, any historical, archeological, architectural, or other cultural artifacts, relics, remains, or objects of antiquity. In the event such items are discovered on the Leased Premises, the Lessee shall immediately notify the Government and protect the site and the material from further disturbance until the Government gives clearance to proceed.

10.19. The Lessee acknowledges that the surface soil on the Leased Premises may contain elevated levels of pesticides and pesticide-related chemicals applied in the normal course of maintaining the Leased Premises. The Lessee shall manage all such soil on the Leased Premises in accordance with the requirements of any Applicable Laws. The Government will not be responsible for injury or death of any person affected by such soil conditions whether the person is warned or not. The Lessee recognizes and acknowledges that chlordane, applied in the normal course of maintaining the Leased Premises, may be present in soil under or in the area immediately surrounding some building foundations on the Leased Premises and that such soils must be tested and evaluated for chlordane before excavation occurs. The Lessee shall be responsible, at its sole cost and expense, for any testing or evaluation of chlordane required in connection with such conditions on the Leased Premises, including without limitation any testing and evaluation required under Applicable Laws. To the extent that environmental testing detects chlordane on any portion of the Leased Premises, the Lessee shall, at its sole cost and expense, manage such chlordane in place to the fullest extent permitted under Applicable Laws; provided, however, that the Lessee may request written consent from the Government to remove contaminated soil as permitted under Applicable Laws, which consent shall not be unreasonably withheld. The provisions of **Condition 10.19** shall apply to such chlordane only to the extent that it cannot be managed in place under Applicable Laws.

10.20. Required Notices. If at any time either Party shall become aware, or have reasonable cause to believe, that any toxic or hazardous wastes, substances, or materials have been released or have otherwise come to be located on or beneath the Leased Premises in amounts greater than either the reportable quantities or a level requiring response action(s) under an Applicable Law, such Party shall immediately upon discovering the release or the presence or suspected presence of the toxic or hazardous wastes, substances, or materials, give written notice of that condition to the other Party. In addition, the Party first learning of the release or presence of any toxic or hazardous wastes, substances, or materials on or beneath the Leased Premises, shall immediately notify the other Party in writing of: (i) any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed, or threatened pursuant to any Applicable Law; (ii) any claim made or threatened by any person against the Government, the Lessee, or the Leased Premises arising out of, or resulting from, the release or presence of toxic or hazardous wastes, substances, or materials; and (iii) any reports made to any local, state, or

Federal environmental agency arising out of, or in connection with, any toxic or hazardous wastes, substances, or materials.

CONDITION 11.

MAINTENANCE OF LEASED PREMISES

11.1. The Lessee, at no expense to the Government, shall at all times preserve, maintain, repair, and manage the Leased Premises and Leased Premises Improvements in an acceptable, safe, and sanitary condition in accordance with this Lease and the Operating Agreement.

11.1.1. The Lessee shall be responsible for the operation and maintenance of the utility systems owned by it within the Leased Premises, including, but not limited to, water, gas, TV, electric, sanitary sewer, and storm systems. The Government assumes no responsibility under this Lease for maintenance and operation of utility systems not owned by the Government, or for utility easements across Government real property procured by the Lessee from either local sources or the Government.

11.1.2. The Lessee shall at all times maintain all roads, streets, curbing, sidewalks, parking areas, access drives, and appurtenant drainage thereto within the Leased Premises in good condition and keep them free of debris and obstructions of any kind. The Lessee shall keep roads, streets, and common paved areas (including common sidewalks) free of ice and snow.

11.1.3. [Reserved]

11.2. If the Lessee damages or destroys any real or personal property of the Government other than as contemplated by the Design Criteria Package, the Lessee shall promptly repair or replace such real or personal property to the reasonable satisfaction of the Government. In lieu of such repair or replacement, the Lessee shall, if so required by the Government, pay to the Government money in an amount sufficient to compensate for the loss sustained by the Government by reason of damage or destruction of Government property, including natural resources.

CONDITION 12.

COMPLIANCE WITH APPLICABLE LAWS

12.1. The Lessee shall comply, at its sole cost and expense (except for matters for which the Government remains obligated hereunder pursuant to **Condition 10.5**), with all Applicable Laws.

12.2. The Lessee shall comply with all Applicable Laws with regard to construction, sanitation, licenses, or permits to do business, protection of the environment, pollution control and abatement, occupational safety and health, and all other related matters. The Lessee shall be responsible for determining whether it is subject to local building codes or building permit requirements, and for compliance with them to the extent they are applicable.

12.3. The Lessee's use of the Leased Premises, including construction, demolition, and disposal, use, operation, maintenance, repair, and replacement of buildings and facilities, shall at a minimum conform to the Design Criteria Package. In the event of conflict among any of the construction requirements, the most stringent requirement shall govern.

12.4. The Lessee will be responsible for and obtain, at its sole expense, prior to the commencement of construction and demolition, and upon completion of the building of the Leased Premises Improvements, any approvals, permits, or licenses that may be necessary to construct, occupy, and operate the Project in compliance with all Applicable Laws.

12.5. Nothing in this Lease shall be construed to constitute a waiver of Federal supremacy or Federal sovereign immunity, or County sovereign immunity. Only laws and regulations applicable to the Leased Premises under the Constitution and statutes of the United States and the State of Florida are covered by this Condition. The United States presently exercises concurrent Federal jurisdiction over the Leased Premises.

12.6. Responsibility for compliance as specified in this **Condition 12** rests exclusively with the Lessee. The Government assumes no enforcement or supervisory responsibility, except with respect to matters committed to its jurisdiction and authority. The Lessee shall be liable for all costs associated with compliance, defense of enforcement actions or suits, payment of fines, penalties, or other sanctions and remedial costs related to the Lessee's use and occupation of the Leased Premises.

12.7. The Lessee shall have the right to contest by appropriate proceedings diligently conducted in good faith, without cost or expense to the Government, the validity or application of any law, ordinance, order, rule, regulation, or requirement of the nature referred to in this **Condition 12**. The Government shall not be required to join in or assist the Lessee in any such proceedings.

CONDITION 13.

ACCESS AND INSPECTION

13.1. Any agency of the United States, its officers, agents, employees, contractors, and subcontractors may enter upon the Leased Premises and into Leased Premises Improvements, at all times for any purposes not inconsistent with the Lessee's quiet use and enjoyment of them under this Lease, including but not limited to confirming compliance by the Lessee with the terms of this Lease. The Government normally will enter the Leased Premises during regular business hours and give the Lessee at least twenty four (24) hours prior notice of its intention to do so, unless it determines the entry is required for safety, environmental, operations, or mission security purposes. The Lessee shall have no claim on account of any entries against the United States or any officer, agent, employee, contractor, or subcontractor thereof.

CONDITION 14.

GENERAL INDEMNIFICATION BY LESSEE

14.1. Except as otherwise provided in this Lease, the Government shall not be responsible for damages to property or injuries or death to persons that may arise from, or be attributable or incident to, the condition or state or repair of the Leased Premises, or the use and occupation of the Leased Premises, or for damages to the property of the Lessee, or injuries or death of the Lessee's officers, agents, servants, employees, or Sublessees, or others who may be on the Leased Premises at their invitation or the invitation of any one of them.

14.2. Except as otherwise provided in this Lease, the Lessee agrees to assume all risks of loss or damage to property and injury or death to persons by reason of, or incident to, the possession and/or use of the Leased Premises by the Lessee, the Lessee's officers, agents, servants, employees, or others (excluding those employees or agents of the Government who are on the Leased Premises for the purpose of performing official duties) who may be on the Leased Premises at their invitation or the invitation of any one of them (the "Lessee Parties"), or the activities conducted by or on behalf of the Lessee Parties under this Lease. The Lessee expressly waives all claims against the Government for any such loss, damage, bodily injury, or death caused by, or occurring as a consequence of, such possession and/or use of the Leased Premises by the Lessee Parties, or the conduct of activities or the performance of responsibilities under this Lease. The Lessee further agrees, to the extent permitted by Applicable Laws relating to the waiver of sovereign immunity in tort actions, to indemnify, save, and hold harmless the Government, its officers, agents, and employees, from and against all suits, claims, demands or actions, liabilities, judgments, costs, and attorneys' fees arising out of, claimed on account of, or in any manner predicated upon bodily injury, death, or property damage resulting from, related to, caused by, or arising out of the possession and/or use of any portion of the Leased Premises, or any activities conducted or services furnished by or on behalf of the Lessee Parties in connection with, or pursuant, to this Lease, and all claims for damages against the Government arising out of, or related to, the Lease. This provision shall not be construed as a waiver of sovereign immunity by either party. The agreements of Lessee contained in this **Condition 14.2** do not extend to claims caused by the gross negligence or willful misconduct of officers, agents, contractors, or employees of the United States without contributory fault on the part of any other person, firm, or corporation. The Government will give the Lessee notice of any claim against it covered by this indemnity as soon as practicable after learning of it.

CONDITION 15.

INSURANCE

15.1. The Lessee shall in any event and without prejudice to any other rights of the Government bear all risk of loss or damage or destruction to the Leased Premises, and any building(s), improvements, fixtures, or other property thereon, arising from any causes whatsoever, with or without fault by the Government, provided, however, the Government shall not be relieved of responsibility for loss or damage that is solely the result of the gross negligence or willful misconduct of the Government to the extent such loss or damage is not covered by coverage of insurance required under this Lease.

15.2. During the entire Lease Term, the Lessee, at no expense to the Government, shall carry and maintain the following insurance:

15.2.1. All-risk property insurance, including loss of rents for actual loss sustained with an extended period of indemnity of one hundred eighty (180) days, on a replacement cost basis, with no coinsurance, for full replacement value of the Leased Premises Improvements. Such replacement value shall be determined by the Government and shall be subject to adjustment at the request of the Lessee not more frequently than once in any twenty-four-month period, unless there have been substantial changes to the Project within such period. Such insurance shall have: (i) a deductible no greater than \$50,000, unless otherwise approved in writing by the Government; (ii) earthquake, flood, sewer backup, boiler, and machinery coverage with commercially available limits and deductibles approved by the Government; and (iii) terrorism insurance if commercially available at reasonable rates.

15.2.2. Commercial general liability insurance, on an occurrence basis, insuring against claims for bodily injury, death and property damage, occurring upon, in or about the Leased Premises, including any building thereon and adjoining sidewalks, streets, and passageways. Such insurance must be effective at all times throughout the Lease Term, with limits of not less than One Million Dollars (\$1,000,000) per occurrence, general aggregate and products and completed operations aggregate, and include coverage for fire, legal liability, and medical payments. Any general aggregate shall apply on a per location or per project basis. The Government and any Approved Mortgagee shall be named as additional insureds. The additional insureds shall have equal standing with the named insureds for the purpose of submitting claims directly with the insurer. This coverage may be provided under primary liability and umbrella excess liability policies, and shall include: (i) business auto liability insurance that insures against claims for bodily injury and property damage arising from the use of "any auto" with a combined single limit of \$1,000,000 per accident; (ii) environmental liability or pollution legal liability insurance to the extent available, which includes coverage for mold; and (iii) underground storage tank environmental insurance for any underground storage tanks located on the Leased Premises. Limits of environmental policies, if available, shall be determined and approved by the Government. All liability policies shall be primary and non-contributory to any insurance maintained by the Government or any Approved Mortgagee.

The insurance carried and maintained by the Lessee pursuant to this Condition shall provide coverage to protect the Government from any damage and liability for which the Lessee is liable or responsible or agrees to hold harmless and indemnify the Government under this Lease. Proceeds under all policies of insurance carried and maintained to provide the coverage required by **Condition 15.2.2** shall be available only for that purpose.

15.3. During the Lease Term, the Lessee either shall carry and maintain the insurance required at its expense, or require any contractor performing work on the Leased Premises to carry and maintain such insurance at no expense to the Government:

15.3.1. Commercial general liability and business auto liability insurance provided for in **Condition 15.2.2** shall be maintained for the limits specified thereunder, and shall provide coverage for the mutual benefit of the Lessee, the Government, and any Approved Mortgagee as additional insureds.

15.3.2. Fire and any other applicable insurance provided for in **Condition 15**, which, if not then covered under the provisions of existing policies, shall be covered by special

endorsement thereto in respect to any improvements, structures, alterations, or additions, or installations, including all materials and equipment therefore, incorporated in, on, or about the Leased Premises (including excavations, foundations, and footings) under a broad form all-risks builder's risk completed-value form or equivalent thereof; and

15.3.3. Workers' compensation or similar insurance covering all persons employed in connection with the work and with respect to whom death or bodily injury claims could be asserted against the Government or the Lessee, in form and amounts required by law (statutory limits), and employers' liability, with limits of \$500,000 each coverage and policy limit.

15.4. All policies of insurance that this Lease requires the Lessee to carry and maintain, or cause to be carried or maintained pursuant to this **Condition 15**, shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Lease, issued by Qualified Insurers (as defined below). "Qualified Insurers" are insurers authorized to do business and to issue the insurance policies required under this **Condition 15** in Florida. The Qualified Insurers for a majority of the coverage shall have a long-term unsecured debt rating from a Rating Agency as follows: (i) if from Standard & Poors of no lower than BBB-, or (ii) if from Moody's Investors Services no lower than Baa3. As used in this Lease, "Rating Agency" means any nationally recognized credit rating service that at the time has one or more outstanding ratings of any securities issued by the Lessee to fund construction of the Project. All policies issued by the respective insurers for commercial general liability insurance and for the all-risk property insurance provided for above in this **Condition 15** shall be for the mutual benefit of the Government, any Approved Mortgagee, and the Lessee and will name the Government and any Approved Mortgagee as additional insureds or loss payees as to their respective interests. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of the Lessee, the Government, any Approved Mortgagee, or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least sixty (60) days after receipt by the Government and any Approved Mortgagee of written notice thereof; provide that the insurer shall have no right of subrogation against the Government or any Approved Mortgagee; and be reasonably satisfactory to the Government in all other respects. All property insurance coverage required by **Condition 15.2.1** shall be payable solely to the Government and any Approved Mortgagee in accordance with this Lease. In no circumstances will the Lessee be entitled to assign to any third-party rights of action that the Lessee may have against the Government. Notwithstanding the foregoing, any cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Government and any Approved Mortgagee. The Lessee understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Lessee under this **Condition 15** will constitute a failure to comply with the terms of this Lease, and the Government shall have the right to terminate this Lease for default and breach pursuant to **Condition 7** upon receipt of any such cancellation notice, but only if the Lessee fails to cure such noncompliance to the extent allowed under **Condition 7**. The Lessee shall deliver or cause to be delivered upon execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this **Condition 15**), at the Government's option, a certified copy of each policy of insurance required by this Lease as soon as each such policy is made available by the insurer, or a certificate of insurance evidencing the

insurance required by this Lease, in a form acceptable to the Government, and including such endorsements necessary to afford additional insured or loss payee status or evidence other conditions as required per provisions above, or both.

15.5. In the event that any part of the Project is damaged (except de minimis damage) or destroyed, the risk of which is assumed by the Lessee under **Condition 15.1** ("Damaged or Destroyed Property"), the Lessee shall promptly give notice thereof to the Government and all Approved Mortgagees.

15.5.1. The Lessee shall, as soon as reasonably practicable after the casualty, restore the Damaged or Destroyed Property as nearly as possible to the condition that existed immediately prior to such loss or damage, subject to **Condition 15.5.2**.

15.5.2. In the event that the Government and any Approved Mortgagees in consultation with the Lessee determine that the magnitude of Damaged or Destroyed Property is so extensive that the Project cannot be used by the Lessee for its operations and the repairs, rebuilding, or replacement of the Damaged or Destroyed Property cannot reasonably be expected to be substantially completed within nine (9) months of the occurrence of the casualty ("Extensive Damage or Destruction of Improvements"), either Party may terminate this Lease as provided in **Condition 7.3.2**. In the event that the Government shall determine that an Extensive Damage or Destruction of Improvements has not occurred, then neither Party shall have the right to terminate this Lease. In the event the Government determines that such an event has occurred, and the Approved Mortgagee disagrees with that determination, then the matter shall be determined pursuant to the provisions of **Condition 23** of this Lease. If the Parties and any Approved Mortgagees mutually agree to repair, rebuild, and replace less than all Damaged or Destroyed Property, then neither Party shall have the right to terminate this Lease as provided in **Condition 7.3.2** with respect to the Leased Premises on which the Damaged or Destroyed Property that will be repaired, rebuilt, and replaced is situated.

Unless this Lease is terminated pursuant to **Condition 7.3.2**, any insurance proceeds received as a result of any casualty loss to the Project shall be applied in the following order of priority: (i) first, to restoring the damaged area and removing any related debris to the reasonable satisfaction of the Government; (ii) second, to repairing, rebuilding, and/or replacing the Leased Premises Improvements and the damaged area to the reasonable satisfaction of the Government; (iii) third, if required by the Government or any Approved Mortgagee, to the payment of any outstanding liens held by the Government or any Approved Mortgagee, in accordance with the order of priority of such liens, until all such liens are fully satisfied and released, and (iv) fourth, the excess, if any, shall be paid to the Lessee. If this Lease is terminated pursuant to **Condition 7.3.2**, then any insurance proceeds received as a result of any casualty loss to the Project shall be applied to the restoration of the Leased Premises in accordance with **Condition 9** after repayment of any outstanding Mortgage on the Project.

CONDITION 16. [Reserved]

CONDITION 17.

CONSTRUCTION OF LEASED PREMISES IMPROVEMENTS AND ALTERATIONS

17.1. This Lease is subject to, and conditioned on, the Lessee's satisfying the requirements of the Operating Agreement. It is specifically understood that (i) the Lessee's activities undertaken pursuant to this Lease constitute a private undertaking; (ii) title to the Leased Premises Improvements shall be vested in the Lessee, subject to the terms of this Lease; and (iii) the Government's sole and exclusive interest in and liability under this Lease are limited to that of lessor of the Leased Premises. The Lessee shall not be entitled to receive from the Government and the Government shall not be obligated to pay to the Lessee any monetary consideration for the Lessee's activities undertaken pursuant to this Lease.

17.1.1. The Design Criteria Package has been approved by the Government. The Lessee's development activities undertaken pursuant to this Lease shall be performed as specified in the approved Design Criteria Package.

17.1.2. If at any time the Lessee wants to propose changes to the Design Criteria Package previously approved by the Government, the Lessee shall submit the proposed changes ("Plan Alterations") to the Government. Plan Alterations must be prepared, signed and certified by a duly qualified architect registered in the state of Florida.

17.2. If the Government believes that any Plan Alterations submitted to it for its review and approval are not consistent with the scope of development activities previously approved, the Government may, in its sole discretion, disapprove such Plan Alterations or provide written notice to the Lessee of such inconsistency and any corrective action proposed by the Government (a "Plan Alterations Exception Notice"). If within twenty (20) days after delivery to the Lessee of a Plan Alterations Exception Notice the Lessee and the Government are unable to agree on whether the plans can be made consistent the development activities previously approved, such Plan Alterations shall be deemed disapproved. The Government and the Lessee agree that the scope of development activities to be undertaken on the Leased Premises is to provide, construct, improve, expand, maintain and operate a regional commercial airport meeting the needs of the public in the airport's service area. Approval by the Government of Plan Alterations within that scope of development activities will not be unreasonably withheld.

17.3. [Reserved]

17.4. [Reserved]

17.5. [Reserved]

17.6. The Government and its representatives, agents, and employees shall have access to the Leased Premises and Leased Premises Improvements before, during, and after construction of the Leased Premises Improvements shown in the Final Plans for purposes of monitoring, observing, making inquiries, and taking samples of materials for testing as may be necessary to evaluate the physical characteristics of such Leased Premises Improvements, as well as such other matters as the Government deems to be reasonably necessary for the Government to determine the Lessee's compliance with the Design Criteria Package. The Parties expressly understand and agree that: (i) any such inspection activity by the Government shall not relieve the Lessee of its responsibility for constructing, operating, maintaining, and managing the Leased Premises Improvements pursuant to, and in accordance with, the Design Criteria

Package; (ii) failure of the Government to make any such on-site inspection or conduct such testing shall not limit, or be construed to limit, any of the Government's rights under this Lease, including its right to require the Lessee to construct the Leased Premises Improvements shown in the Final Plans in accordance with the Design Criteria Package; and (iii) no action by the Government shall be deemed to be confirmation that the Additional Improvements to the Leased Premises Improvements shown in the Final Plans comply with the Design Criteria Package and Applicable Laws. Failure to complete the development activities for the Additional Improvements undertaken pursuant to this Lease in accordance with the Design Criteria Package shall constitute an Event of Default if the Lessee does not correct such failure within the cure period provided in **Condition 7.1.1**.

17.7. The Lessee, the Lessee's general contractor, if any, and the Government shall attend pre-construction conferences to acquaint the Lessee, the Government, and the other participants with the Design Criteria Package.

17.8. **[Reserved]**

17.9. Any Leased Premises Improvements that will be demolished by the Lessee shall be demolished in accordance with a demolition plan prepared by the Lessee and approved by the Government.

17.10. All matters of ingress, egress, contractor haul routes, construction activity, and disposition of excavated material in connection with this Lease shall be approved in advance by the Government.

17.11. During the Lease Term, the Lessee shall have the right at its sole cost and expense, to install such of its own machinery and equipment, and to attach such removable fixtures in or upon the Leased Premises as may be necessary for its use of the Leased Premises pursuant to this Lease; and to remove such machinery, equipment, minor improvements, and removable fixtures at any time prior to the expiration or earlier termination by the Lessee of this Lease. In the event of termination of this Lease by the Government, the Lessee shall have a reasonable period of time following the effective termination date, as determined by the Government, to remove such property.

17.12. The Lessee shall not construct any permanent structure or improvements on the Leased Premises except as set forth in an approved Design Criteria Package, and shall not construct any temporary structure or advertising sign on them, or make structural modifications, alterations, or additions to them, without the prior written consent of the Government, which shall not be unreasonably withheld or delayed.

17.13. All construction provided for in the Design Criteria Package shall be without cost or expense to the Government, unless otherwise agreed in writing by the Parties.

17.14. Subject to **Condition 9**, title to all Leased Premises Improvements shall be vested in the Lessee throughout the Lease Term.

17.15. **[Reserved]**

17.16. Upon "Substantial Completion," as defined below, of the Additional Improvements portion of the Leased Premises Improvements, the Lessee shall furnish to the Government: (i) certificates of each of a duly qualified architect registered in the state of Florida, a duly qualified structural engineer registered in the state of Florida, any inspecting architect, and the Construction Consultant, confirming that the Leased Premises Improvements have been completed in accordance with the Design Criteria Package; (ii) a true, correct and complete copy of the permits and licenses, if any, that were required in connection with the construction, renovation, and demolition of any of the Leased Premises Improvements; (iii) an as-built plat of survey (prepared, to the maximum extent practicable, in accordance with ALTA/ACSM Standards) of the Leased Premises detailing easements, the parcel boundaries and any encroachments to the boundaries, certified to the Lessee, any Approved Mortgagees, and the Government; (iv) an electronic record contained within a Geographic Information System in a format, and with the level of detail, specified by the Government, in its reasonable discretion, providing as-built drawings of the Leased Premises; (v) evidence, which may consist of UCC searches are free and clear of all liens (other than liens approved in accordance with **Condition 22.2**) arising out of, or connected with, the construction, renovation, and demolition of the Leased Premises Improvements; and (vi) a certificate of the Lessee confirming that the Lessee is not in default under any provisions of this Lease; provided, however, that items (iii), (iv) and (v) shall only be provided at the end construction. All of the foregoing shall be satisfactory to the Government in its reasonable discretion. "Substantial Completion" shall mean completion of all of the Leased Premises Improvements as approved by the Government in accordance with the Design Criteria Package.

17.17. **[Reserved]**

17.18. **[Reserved]**

CONDITION 18.

UTILITIES AND SERVICES

18.1. The Parties understand that the Government will not provide utilities to the Leased Premises other than sewer service that is provided for in the Utility Sales Contract No. 95-007 between Okaloosa County Air Terminal and Eglin AFB.

18.1.1. The Parties understand and agree that the construction, maintenance, and repair of all utility distribution systems, all connections to the facilities, conduits, and the connections to existing utility mains, and the purchase, installation, maintenance, and repair of all meters, shall be without cost to the Government.

18.1.2. The Lessee shall be responsible for the expenses of all utilities used on the Leased Premises.

18.1.3. The Lessee shall be responsible at its expense for all janitorial services, refuse collection, building maintenance, and grounds maintenance for the Leased Premises.

18.1.4. **[Reserved]**

18.2. The Parties understand and agree that the Government in no way warrants the continued provision, maintenance, or adequacy of any utilities or services to the Leased Premises other than is provided for in the Utility Sales Contract No. 95-007 between Okaloosa County Air Terminal and Eglin AFB.

CONDITION 19.

OPERATION AND MANAGEMENT OF THE PROPERTY

19.1. The Lessee, at its sole cost and expense, shall operate and maintain the Leased Premises and the Leased Premises Improvements in accordance with all Applicable Laws; the Operating Agreement identified in **Condition 5**; and all of the terms and conditions of this Lease.

19.2. The name used by the Lessee for any portion of the Project shall be "Okaloosa Regional Airport."

19.3. [Reserved]

CONDITION 20.

NOTICES

20.1. Whenever the Government or the Lessee shall desire to give or serve upon the other (or in the case of the Government, also any Approved Mortgagee) any notice, demand, order, direction, determination, requirement, consent or approval, request, or other communication with respect to this Lease or with respect to the Leased Premises and any improvements located thereon, each such notice, demand, order, direction, determination, requirement, consent or approval, request, or other communication shall be in writing and shall not be effective for any purpose unless same shall be given or served by personal delivery to the Party or Parties to whom such notice, demand, order, direction, determination, requirement, consent or approval, request, or other communication is directed or by mailing the same, in duplicate, to such Party or Parties through a national recognized and reputable overnight delivery service at the regular mailing address for the parties specified below. In the latter case, delivery shall be effective on the date confirmed by the records of such service.

If intended for the Secretary of the Air Force:

Department of the Air Force
Director, Air Force Real Property Agency
1700 N. Moore St., Suite 2300
Arlington, VA 22209-2802
(all notices, requests and other communications to any party except for financial records and reports)

with copies to:

AFRPA/CFO
Attn: Portfolio Manager
1700 N. Moore St., Suite 2300
Arlington, VA 22209-2802

and

96th Civil Engineer Group
ATTN: 96 CEG/CERR
501 De Leon Street, Suite 100
Eglin AFB, FL 32542-5133

If intended for Okaloosa County:

Okaloosa County
Director, Okaloosa County Regional Airport
1701 State Road 85 N
Eglin AFB, FL 32542

If to an Approved Mortgagee:

The address provided to the Government pursuant to Condition 22.6.1.

or at such other address or addresses as the Government, the Lessee, or any Approved Mortgagee may from time to time designate by notice given by certified mail.

20.2. If Notice is tendered under the provisions of this Lease and is refused by the intended recipient of the Notice, the Notice shall nonetheless be considered to have been given, and shall be effective as of the date provided in this Lease.

CONDITION 21.

ASSIGNMENT, SUBLEASES, AND LICENSES

21.1. Except as otherwise provided in this Lease, the Lessee shall not assign this Lease or any interest therein, or in any real property on the Leased Premises. Notwithstanding the foregoing provision, Lessee shall have the right to enter into subleases, concession agreements, licenses and other contracts with airlines, tenants, concessionaires, and such other providers of services and commodities as are necessary or desirable for the proper operation of a commercial aviation facility on the Leased Premises assigning certain interests or rights in the Leased Premises and the Leased Premises Improvements.

21.1.1. Failure to comply with this **Condition 21.1** shall constitute a breach of this Lease by the Lessee. The Government shall not be obligated to recognize any right of any person or entity to an interest in this Lease, or to own or operate any facilities and/or improvements or conduct any other activity or activities on the Leased Premises authorized under this Lease acquired in violation of this **Condition 21**.

CONDITION 22.

LIENS AND MORTGAGES

22.1. Except as provided in **Condition 22.2**, the Lessee shall not: (i) engage in any financing or other transaction creating any mortgage or security interest upon the Leased Premises or any Leased Premises Improvements; (ii) place or suffer to be placed upon the Leased Premises or any Leased Premises Improvements any lien or other encumbrance; (iii) suffer any levy or attachment to be made on the Lessee's interests in the Leased Premises or any Leased Premises Improvements.

22.2. During the Lease Term, the Lessee may encumber by mortgage, deed of trust, or security agreement its interest in the Leased Premises or any Leased Premises Improvements to secure one or more loans, subject to **Condition 22.3**. The proposed holder of any such mortgage, deed of trust, or security agreement must be approved in writing by the Government prior to the execution of such loan, which approval shall not be unreasonably withheld or delayed. Any mortgagee approved by the Government or successor or assignee of such mortgagee approved by the Government shall be referred to in this Lease as an "Approved Mortgagee." The Government agrees to execute an Estoppel Certificate and any other similar documentation as may reasonably be required by an Approved Mortgagee to evidence the Government's consent to the conditional assignment or mortgage of the Lessee's interest in this Lease and to certify the status of this Lease and performance by the Lessee of its obligations under this Lease as of the date of such certification. Notwithstanding any foreclosure, the Lessee shall remain liable for the performance of all the terms, covenants, and conditions of this Lease, which by the terms hereof are to be carried out and performed by the Lessee.

22.3. No mortgage or deed of trust shall extend to or affect the fee, the reversionary interest, or the estate of the Government in the Leased Premises. No mortgage, deed of trust, or security agreement shall be binding upon the Leased Premises until it is approved by the Government and a copy thereof has been delivered to the Government.

22.4. The Lessee shall notify the Government promptly of any lien or encumbrance on the Leased Premises, or the Lessee's interest in the Leased Premises or any Leased Premises Improvements, whether created by act of the Lessee or otherwise, of which the Lessee has notice.

22.5. If an Approved Mortgagee or an Approved Mortgagee Affiliate (defined below) acquires the Lessee's interest in the Leased Premises or the Leased Premises Improvements by deed-in-lieu, at a foreclosure of its mortgage or deed of trust, or otherwise, this Lease shall continue in full force and effect. The acquisition of the Lessee's interest in the Leased Premises or Leased Premises Improvements, by anyone other than an Approved Mortgagee or an Approved Mortgagee Affiliate shall require the prior written approval of the Government. No agent or nominee shall be appointed to operate and manage any portion of the Leased Premises or the Leased Premises Improvements without obtaining the prior written approval of the Government. Such approval shall not be unreasonably withheld or delayed so long as the proposed agent or nominee has demonstrated experience or expertise in the development, management, and operation of facilities similar to the Leased Premises and the Leased Premises

Improvements. Notwithstanding anything to the contrary contained in this Condition 22.5, the Government may withhold approval of any purchaser of the Lessee's interest in the Leased Premises (other than with respect to an Approved Mortgagee or Approved Mortgagee Affiliate) if in the Government's sole discretion such purchaser could pose a threat or breach of security by its ownership or use of the Leased Premises at Eglin AFB. As used in this Condition 22.5, "Approved Mortgagee Affiliate" means a corporation, limited liability company, or other entity that controls, is owned or controlled by, or is under common ownership and control with, an Approved Mortgagee.

22.6. With respect to the Approved Mortgagees, the following shall apply:

22.6.1. If an Approved Mortgagee has given written notice to the Government of its address, any notice to the Lessee given pursuant to this Lease, including, without limitation, notice of a default or a termination of this Lease shall be delivered simultaneously to such Approved Mortgagee, and no notice of default or termination of this Lease given by the Government to the Lessee shall be deemed effective until like notice is given to such Approved Mortgagee.

22.6.2. An Approved Mortgagee shall have the same rights to cure any default as the Lessee has under this Lease with such additional time as may be afforded to an Approved Mortgagee pursuant to this **Condition 22** and the Government shall accept performance by such Approved Mortgagee as if the Lessee had performed.

22.6.3. The Government will not accept any cancellation of this Lease by the Lessee, or materially modify this Lease, without the prior written consent of each Approved Mortgagee. The Lessee shall provide each Approved Mortgagee with notice of any proposed material modification or cancellation.

22.6.4. No Approved Mortgagee, or purchaser at a foreclosure sale who has been approved by the Government as required by **Condition 22.5**, shall be required to cure any "personal default," as defined below, of the Lessee. As used in this Condition 22, "personal default" means any default of the Lessee that cannot be cured by the payment of money or performance of the development activities undertaken pursuant to this Lease, including any bankruptcy of the Lessee. Examples of personal defaults include, without limitation, defaults in **Conditions 24.1 through 24.4, and 24.6 and 24.7** of this Lease. Defaults under **Condition 26** also shall constitute personal defaults to the extent records are not available to prepare the reports required by that Condition.

22.7. If the Government elects to terminate this Lease pursuant to **Condition 7.3**, each Approved Mortgagee shall have the right to postpone ("Mortgagee's Right to Postpone") and extend the termination date specified in the notice of termination by the Government to the Lessee ("Termination Notice"), subject to the following conditions:

22.7.1. Prior to the termination date specified in the Termination Notice, the Approved Mortgagee must give the Government written notice of its exercise of the Mortgagee's Right to Postpone and simultaneously cure all monetary defaults and deliver to the Government

as security for the cure of all other defaults other than personal defaults an amount sufficient to effect such cure.

22.7.2. The Mortgagee's Right to Postpone shall extend the date specified in the Termination Notice for the termination of this Lease for a period of up to six (6) months, or such longer period as may be reasonably requested by the Approved Mortgagee and approved by the Government, which approval shall not be unreasonably withheld. The Government will grant a reasonable extension of the date for termination of this Lease pursuant to the Mortgagee's Right to Postpone ("Lease Termination Extension Date") so long as the Approved Mortgagee (i) promptly commences all steps necessary to cure any default other than personal defaults of the Lessee, including such steps as may be required for the Approved Mortgagee to obtain possession or control of the Leased Premises, and diligently prosecutes the same to completion; and (ii) provides the Government with monthly updates in writing that describe in reasonable detail the steps the Approved Mortgagee has taken and will take in the future to cure any such defaults, and the anticipated time-frame for curing such defaults.

22.7.3. Prior to the termination date specified in the Termination Notice, such Approved Mortgagee shall assume performance and observance of the covenants and other agreements of the Lessee in this Lease.

22.7.4. If prior to the Lease Termination Extension Date, all defaults under this Lease other than personal defaults are cured or otherwise resolved as memorialized in a written agreement, then the Government shall withdraw the Termination Notice.

22.8. Nothing in this **Condition 22** shall be deemed to impose any obligation on the part of the Government to deliver physical possession of the Leased Premises or any Leased Premises Improvements located thereon to such Approved Mortgagee.

22.9. If more than one Approved Mortgagee shall seek to exercise any of the rights provided for in this **Condition 22**, the holder of the mortgage or deed of trust having priority of lien over the other Approved Mortgagees shall be entitled, as against the others, to exercise such rights. Should a dispute arise among the Approved Mortgagees regarding the priority of their respective liens, all of the Approved Mortgagees must provide written confirmation to the Government that they have settled that dispute.

22.10. In the event this Lease is terminated by the Government for any reason or is rejected in bankruptcy, the Approved Mortgagee(s) in the order of the priority of their respective mortgages, may request a new lease ("New Lease") from the Government, and the Government shall execute and deliver such New Lease, provided the applicable Approved Mortgagee (i) pays all past due amounts due to the Government pursuant to the terms of this Lease, and (ii) cures or otherwise resolves in a manner acceptable to the Government any non-monetary defaults, except for personal defaults, of the Lessee under this Lease. Such New Lease shall be for the remaining term of this Lease and shall be on the same terms and conditions as set forth in this Lease.

22.11. The Government acknowledges that the Lessee has entered into a Master Indenture of Trust, dated as of August 1, 2003 (the "Master Indenture") with JPMorgan Chase Bank as trustee, as to which The Bank of New York currently serves as successor trustee (the

“Trustee”), and a First Supplemental Indenture to Master Indenture of Trust, also dated as of August 1, 2003 (a “Supplement” and, with all future Supplements entered into pursuant to the Master Indenture, and with the Master Indenture, collectively, the “Indenture”). Under the Indenture, the Lessee has pledged and granted a first lien on certain Revenues as defined therein to secure bonds issued under the Indenture to finance and refinance a portion of the Pre-Existing Improvements, and may in the future issue additional debt pursuant to the Indenture secured on a parity with the outstanding indebtedness by a parity lien on the Revenues. The Government acknowledges and agrees that the obligations of the Lessee under this Lease, including its obligations to pay Base Rent, shall be payable solely from the Revenues as defined in the Indenture, which payment shall be secured by a lien on and pledge of the Revenues, which pledge and lien are junior and subordinate to the lien and pledge securing all Bonds (as defined in the Indenture) and Additional Bonds (as defined in the Indenture) and Subordinated Indebtedness (as defined in the Indenture) issued or to be issued under the Indenture.

22.11.1. Government acknowledges (i) Lessee will from time to time in the future continue to issue Additional Bonds and Subordinated Indebtedness under the Master Indenture pursuant to other supplemental trust indentures entered into from time to time further pledging the Revenues and other revenue realized by Lessee from rentals, fees and charges to secure payment of such Additional Bonds and Subordinated Indebtedness, and (ii) neither the Master Indenture, the Supplemental Trust Indenture, nor any future supplemental trust indenture entered into by Lessee pursuant to Section 22.11 above shall in any way be considered a financing transaction, mortgage or security interest prohibited by any provision contained in subparagraphs (i) through (iii) of **Condition 22.1** above.

CONDITION 23.

DISPUTES

23.1. Disputes Valued at \$10,000 or less (exclusive of interest). Except as otherwise provided in this Lease, any dispute between the Government and the Lessee arising under or related to this Lease involving \$10,000.00 (exclusive of interest) or less shall be decided by the Director, Air Force Real Property Agency (AFRPA). The Director, AFRPA shall reduce his or her decision to writing and mail or otherwise furnish a copy to the Lessee. With respect to any such dispute, the Lessee agrees that the decision of the Director, AFRPA shall be final and conclusive and shall not be appealable or otherwise subject to challenge.

23.2. Disputes Valued at More than \$10,000 (exclusive of interest). The Lessee and the Government agree that the following procedures constitute the administrative procedures that must be exhausted with respect to any dispute arising under or related to this Lease involving more than \$10,000 (exclusive of interest) before the Lessee or the Government may pursue any other remedy that is available to it pursuant to this Lease or law.

23.2.1. Any dispute involving more than \$10,000.00 (exclusive of interest) shall be decided by the Director, AFRPA. The Director, AFRPA, shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee. The decision of the Director, AFRPA, shall be final and conclusive unless, within thirty (30) calendar days from the date of

receipt of the decision, the Lessee appeals the decision, by certified mail, to the Secretary, and delivers a copy of its appeal to the Director, AFRPA, by certified mail.

23.2.2. The Secretary shall render a decision by a date mutually agreed upon by the Parties. Except as provided in **Condition 17.2**, either Party shall have the right to appeal the decision of the Secretary or his or her authorized representative to a court of competent jurisdiction in a timely manner, consistent with **Condition 23.3**; otherwise the decision of the Secretary shall be final.

23.3. Judicial Review. Except as provided in **Condition 17.2**, the Lessee or the Government, after exhausting the administrative remedies specified in **Condition 23.2.2**, may:

23.3.1. Pursue any remedy available to it under the law; or

23.3.2. Before or in conjunction with pursuing any remedy that is available to it under law, by mutual agreement, submit the dispute to an alternative dispute resolution procedure, other than binding arbitration, authorized by the Administrative Dispute Resolution Act of 1996, 5 U.S.C. §§ 571-581.

23.4. The Parties understand and agree that the Government's obligation to make any payment pursuant to this Lease is contingent upon the availability of appropriated funds proper for such payment.

23.5. In connection with any dispute between the Parties, each of the Lessee and the Government shall be afforded an opportunity to be heard and to offer evidence in support of its position.

CONDITION 24.

GENERAL PROVISIONS

24.1. Covenant Against Contingent Fees. The Lessee warrants that it has not employed or retained any person or agency to solicit or secure this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul this Lease without liability or in its discretion to recover from the Lessee the amount of such commission, percentage, brokerage, or contingent fee, in addition to the consideration herewith set forth. This warranty shall not apply to commissions payable by the Lessee on the Lease secured or made through bona fide established commercial agencies retained by the Lessee for the purpose of doing business. "Bona fide established commercial agencies" has been construed to include licensed real estate brokers engaged in the business generally.

24.2. Officials Not to Benefit. No Member of, or Delegate to the Congress, or resident commissioner, shall be admitted to any part or share of this Lease or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this Lease if made with a corporation for its general benefit.

24.3. Facility Nondiscrimination. As used only in this Condition, the term "Facility" means lodgings, stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in any building covered by, or built on land covered by, this Lease.

24.3.1. The Lessee agrees that it will not discriminate against any person because of race, color, religion, sex, or national origin in furnishing, or by refusing to furnish, to such person or persons the use of any Facility, including any and all services, privileges, accommodations, and activities provided on the Leased Premises. This does not require the furnishing to the general public the use of any Facility customarily furnished by the Lessee solely for use by the Sublessees or their guests and invitees.

24.3.2. The Parties agree that in the event of the Lessee's noncompliance, the Government may take appropriate action to enforce compliance, and, subject to **Condition 22.7**, may terminate this Lease for default and breach as provided in **Condition 7**, or may pursue such other remedies as may be provided by law.

24.4. Gratuities.

24.4.1. The Government may, by written notice to the Lessee, terminate this Lease if, after notice and hearing, the Secretary of the Air Force or a designee determines that the Lessee, or any agent or representative of the Lessee, offered or gave a gratuity (e.g., an entertainment or gift) to any officer, official, or employee of the Government and intended, by the gratuity, to obtain a lease or other agreement or favorable treatment under a lease or other agreement, except for gifts or benefits of nominal value offered to Tenants of the Leased Premises in the ordinary course of business.

24.4.2. The facts supporting this determination may be reviewed by any court having lawful jurisdiction.

24.4.3. If this Lease is terminated under **Condition 24.4.1**, the Government shall be entitled to pursue the same remedies against the Lessee as in a breach of this Lease by the Lessee, and in addition to any other damages provided by law, to exemplary damages of not fewer than three (3), or more than ten (10), times the cost incurred by the Lessee in giving gratuities to the person concerned, as determined by the Government.

24.4.4. The rights and remedies of the Government provided in this Condition shall not be exclusive, and are in addition to any other rights and remedies provided by law or under this Lease.

24.5. No Joint Venture. Nothing contained in this Lease will make, or will be construed to make, the Parties partners or joint venturers with each other, it being understood and agreed that the only relationship between the Government and the Lessee under this Lease is that of landlord and tenant. Nothing in this Lease will render, or be construed to render, either of the Parties liable to any third party for the debts or obligations of the other Party.

24.6. Records and Books of Account. The Lessee agrees that the Secretary of the Air Force, the Comptroller General of the United States, or the Auditor General of the United States Air Force, or any of their duly authorized representatives, shall, until the expiration of three (3)

years after the expiration or earlier termination of this Lease, have access to, and the right to examine, any directly pertinent books, documents, papers, and records of the Lessee involving transactions related to this Lease.

24.7. Remedies Cumulative; Failure of Government to Insist on Compliance. The specified remedies to which the Government may resort under the terms of this Lease are distinct, separate, and cumulative, and are not intended to be exclusive of any other remedies or means of redress to which the Government may be lawfully entitled in case of any breach or threatened breach by the Lessee of any provisions of this Lease. The failure of the Government to insist in any one or more instances upon strict performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or a relinquishment of the Government's right to the future performance of any such terms, covenants, or conditions, but the obligations of the Lessee with respect to such future performance shall continue in full force and effect. No waiver by the Government of any provisions of this Lease shall be deemed to have been made unless expressed in writing and signed by an authorized representative of the Government.

24.8. Headings or Titles. The brief headings or titles preceding each Condition are merely for purposes of identification, convenience, and ease of reference, and will be completely disregarded in the construction of this Lease.

24.9. Counterparts. This Lease is executed in three (3) counterparts, each of which is deemed an original of equal dignity with the other and which is deemed one and the same instrument as the other.

24.10. Personal Pronouns. All personal pronouns used in this Lease, whether used in the masculine, feminine, or neuter gender, will include all other genders.

24.11. Entire Agreement. It is expressly agreed that this written instrument, together with the provisions of other documents that are expressly incorporated by reference by the terms of this Lease, embodies the entire agreement between the Parties regarding the use of the Leased Premises by the Lessee. In the event of any inconsistency between the terms of this Lease and of any provision that has been incorporated by reference, the terms of this Lease shall govern. There are no understandings or agreements, verbal or otherwise, between the Parties except as expressly set forth in this Lease. This instrument may only be modified or amended by mutual agreement of the Parties in writing and signed by each of the Parties.

24.12. Partial Invalidity. If any term or provision of this Lease, or the application of the term or provision to any person or circumstance, is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of the term or provision to persons or circumstances other than those for which the term or provision is held invalid or unenforceable, will not be affected by the application, and each remaining term or provision of this Lease will be valid and will be enforced to the fullest extent permitted by law.

24.13. Interpretation of Lease. The Parties and their legal counsel have participated fully in the negotiation and drafting of this Lease. This Lease has been prepared by the Parties

equally, and should be interpreted according to its terms. No inference shall be drawn that this Lease was prepared by, or is the product of, either Party.

24.14. **[Reserved]**

24.15. Identification of Government Agencies, Statutes, Programs and Forms. Any reference in this Lease, by name or number, to a government department, agency, statute, regulation, program, or form shall include any successor or similar department, agency, statute, regulation, program, or form.

24.16. Approvals. Any approval or consent of the Parties required for any matter under this Lease shall be in writing and shall not be unreasonably withheld or delayed unless otherwise indicated in this Lease.

24.17. Third Party Beneficiaries. Except as otherwise expressly provided with respect to Approved Mortgagees, and solely with respect to **Condition 22** (i) there shall be no third party beneficiaries of this Lease and (ii) none of the provisions of this Lease shall be for the benefit of, or enforceable by, any creditors of the Lessee.

24.18. No Individual Liability of Government Officials. No covenant or agreement contained in this Lease shall be deemed to be the covenant or agreement of any individual officer, agent, employee, or representative of either the Government or the Lessee, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution of this Lease, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

24.19. Non-Merger. Notwithstanding anything contained in this Lease to the contrary, it is the intention of the Parties that the interests created under this Lease shall remain separate and distinct interests, and the leasehold interest of Lessee shall not merge with the fee title in the event that the Lessee becomes the owner of the Leased Premises.

24.20. **[Reserved]**

24.21. Payments to the Government. All payments to the Government shall be made by electronic funds transfer as directed by the Government in writing.

CONDITION 25.

SPECIAL PROVISIONS

25.1. Required Accounts. During the Lease Term, the Lessee shall maintain a ICA in accordance with the following terms.

25.2. ICA Requirements: Immediately following the Term Beginning Date, the Lessee must create a ICA to receive and hold the in-kind consideration Rent due and owing under this Lease. This account must meet the following criteria: (i) it must be a Federally insured depository account; (ii) the funds in it will be owned solely by the Escrow Agent, in trust for

purposes of the ICA; and (iii) the Lessee shall not grant or allow any other security interests in, liens to, or encumbrances on the ICA or the funds in it.

25.2.1. Priority of ICA: During the Lease Term, the Lessee shall make quarterly payments in cash pursuant to the Rent Schedule at Exhibit C into the ICA for the full amount of the Rent as an Operation and Maintenance Expense under the Master Indenture described in Condition 22.11.

25.2.2. Required Reports on the ICA: The Escrow Agent shall deliver the reports described in Section 3.5 of the ICA.

25.2.3. Disbursement of Funds from the ICA. Disbursements from the ICA shall be made pursuant to the terms of the Escrow Agreement. The disbursements shall be used to pay the cost of providing in kind consideration at Eglin AFB. Disbursement requests may be made from time to time at the discretion of the Government.

CONDITION 26.

REPORTING PROVISIONS

26.1. At all times during the Lease Term, the Lessee shall maintain at its principal place of business or such other place as agreed to by the Parties, a complete and accurate set of files, books and records of all business activities and operations conducted in connection with performance under this Lease. The Lessee's records and accounts shall reflect, with respect to each asset subject to this Lease, all items of revenue and expense allocable to the management and disposition of such asset, as well as information regarding the status of each such asset including appraisal, title to improvements, marketing and other information as required. At all times during the Lease Term, the Government may, at such reasonable times, inspect and request copies of any of the Lessee's records, files, reports, and related material pertaining to the assets and to the performance under this Lease.

26.1.1. **[Reserved]**

26.1.2. **[Reserved]**

26.1.3. **[Reserved].**

26.2. Additional Record Keeping and Delivery. The Lessee agrees that the Government, the Comptroller General of the United States or the Auditor General of the United States Air Force, or any of its duly authorized representatives, shall, until the expiration of three (3) years after the expiration or earlier termination of this Lease, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Lessee involving transactions related to the Leased Premises. The Lessee shall keep and maintain accurate, true, and complete books and records (hereinafter collectively referred to as "books and records"), which shall fully reflect the financial condition, occupancy, physical condition, maintenance, and operational status of the Project, together with all business licenses and permits required to be kept and maintained pursuant to the provisions of any applicable state or local law, regulation, or rule now or hereafter in effect. All books and records shall be kept at the Lessee's principal

office, or at the Project, or at such other place as the Government and the Lessee both agree upon in writing. A complete duplicate set of the books and records shall be kept at a separate location mutually agreeable to the Parties. The Government is herewith granted the right to photocopies of same, at the sole expense of the Lessee. The Lessee shall deliver to the Government, upon such schedule as the Government may establish from time to time, and in such media, including electronic media as the Government shall select, all information and supporting documentation which the Lessee has maintained, or which the Government needs in order for the Government to file any report to the Department of the Air Force, the Department of Defense, or required to be submitted by the Government to any governmental or nongovernmental agency, or which the Government needs to assess the financial condition, performance, occupancy, physical condition, maintenance and operational status of the Project. Such items shall: (a) be in a form satisfactory to the Government, (b) be certified to the Government as true, complete, and accurate in all material respects by the Lessee, and (c) be taken from the books and records maintained by the Lessee as aforesaid. The Lessee shall furnish to the Government all of the following documents, statements, reports, and other information in the manner provided below:

26.2.1. At any time upon the request of the Government:

26.2.1.1. a rent roll for the Leased Premises showing the name of each Sublessee, the building unit occupied, the lease expiration date, the rent payable for the current month, the date through which rent has been paid, and any requested related information;

26.2.1.2. a monthly property management report for the Leased Premises, showing the number of rental applications received and deposits received, materials relating to marketing and leasing efforts for the Leased Premises, and any other information requested by the Government; and

26.2.1.3. a monthly maintenance report for the Leased Premises, showing maintenance records and expenditures, and any other information requested by the Government;

26.2.1.4. within fifteen (15) days after the end of each month in which the Lessee has received notice that a default under this Lease has occurred and/or is continuing, monthly income statements for the Leased Premises, including calculations of net cash flow;

26.2.1.5. within thirty (30) days of its filing with the required federal, state or local agencies, all income, real and personal property and any other tax returns and any other tax filings relating to the Lessee and/or the Leased Premises;

26.2.1.6. within fifteen (15) days following Lessee's receipt of same, copies of any and all default or deficiency notices provided to the Lessee by any mortgagee on an approved loan, any government agency, insurance company or other party; and

26.2.1.7. within ten (10) days after receipt of a request by the Government, such additional information, as reasonably requested by the Government.

CONDITION 27.

RIGHTS NOT IMPAIRED

27.1. Nothing contained in this Lease shall be construed to diminish, limit, or restrict any right, prerogative, or authority of the Government over the Leased Premises relating to the security or mission of Eglin AFB, the health, welfare, safety, or security of persons on Eglin AFB, or the maintenance of good order and discipline on Eglin AFB, as established in law, regulation, or military custom.

27.2. Eglin AFB Access. The Lessee acknowledges that it understands that the Eglin AFB is an operating military installation that could remain closed to the public and accepts that the Lessee's operations may from time to time be restricted temporarily or permanently due to the needs of national defense. Access on the installation may also be restricted due to inclement weather and natural disasters. The Lessee further acknowledges that the Government strictly enforces Federal laws and Air Force regulations concerning controlled substances (drugs) and personnel, vehicles, supplies, and equipment entering the installation are subject to search and seizure, under 18 U.S.C. § 1382. The Government will use reasonable diligence in permitting the Lessee access to the Leased Premises at all times, subject to the provisions of this paragraph. Notwithstanding the foregoing, the Lessee agrees the Government will not be responsible for lost time or costs incurred due to delays in entry, temporary loss of access, barring of individual employees from the base under Federal laws authorizing such actions, limitation, or withdrawal of an employee's on-base driving privileges, or any other security action that may cause employees to be late to, or unavailable at, their work stations, or delay arrival of parts and supplies. The Government retains the right to refuse access to the Leased Premises by the Lessee Parties. The Lessee, its Sublessees, employees, and invitees fully agree to abide with all access restrictions imposed by the Government in the interest of national defense.

27.3. Anything contained in this Lease to the contrary notwithstanding, the Government has the right at all times to order the permanent removal and barment of anyone from Eglin AFB, including but not limited to Sublessees, if he or she believes, in his or her sole discretion, that the continued presence on Eglin AFB of that person represents a threat to the security or mission of Eglin AFB, poses a threat to the health, welfare, safety, or security of persons occupying Eglin AFB, or compromises good order and/or discipline on Eglin AFB.

27.4. Except as provided in **Condition 27.1**, nothing in this Lease shall be construed to diminish, limit, or restrict any right of the Lessee under this Lease, or the rights of Sublessees as prescribed under their leases or Applicable Laws.

CONDITION 28.

RENEWAL OF THE LEASE

28.1. The Parties agree that at any time during the Lease Term, a renewal of this Lease may be negotiated and entered into by the Parties, provided that the Project is being operated and maintained as required by this Lease, and the Lessee is not in default of any of its obligations under this Lease.

CONDITION 29.

GOVERNMENT REPRESENTATIVES AND THEIR SUCCESSORS

29.1. The Government, acting through the Secretary of the Air Force, may delegate certain of its responsibilities under this Lease to its duly appointed representatives.

CONDITION 30.

AMENDMENTS

30.1. Subject to **Condition 22.6.3**, this Lease may be amended at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of each of the respective Parties. Amendments to this Lease executed on behalf of the Government must be signed at the level of the Director, Air Force Real Property Agency, or higher. Such amendments may include, but are not limited to, extensions of the Lease Termination Date.

CONDITION 31.

EXHIBITS

31.1. Seven (7) exhibits are attached to and made a part of this Lease, as follows:

- Exhibit A - Description and Map of Leased Premises
- Exhibit B - Physical Condition Report
- Exhibit C - Rent Schedule
- Exhibit D - Design Criteria Package
- Exhibit E - Operating Agreement
- Exhibit F - Escrow Agreement

CONDITION 32. [Reserved]

CONDITION 33. [Reserved]

CONDITION 34.

DEFINED TERMS

34.1. Capitalized terms set forth below shall have the following meanings:

“ACM” means, collectively, asbestos or asbestos-containing material (ACM).

“Additional Improvement” means those improvements and personal property that may be constructed or placed on the Leased Premises by the Lessee after the date of this lease.

“Additional Rent” means all sums other than Base Rent payable by the Lessee to the Government under this Lease.

“Applicable Laws” means, collectively, all present and future laws, ordinances, rules, requirements, regulations, and orders of the United States, the state where the Leased Premises are located and any other public or quasi-public Federal, state, or local authority, and/or any department or agency thereof, having jurisdiction over the Project and relating to the Project or imposing any duty upon the Lessee with respect to the use, occupation, or alteration of the Project during the Lease Term.

“Approved Mortgagee” means any mortgagee approved by the Government or successor or assignee of such mortgagee approved by the Government. The Trustee referred to in Condition 22.11, its successors and assigns, shall be an Approved Mortgagee for all purposes of this Lease.

“Approved Mortgagee Affiliate” means a corporation, limited liability company, or other entity which controls, is owned or controlled by, or his under common ownership and control with, an Approved Mortgagee.

“Bankruptcy Code” means the United States Bankruptcy Code.

“Base Rent” means the cash or in-kind consideration rent paid to the Government by the Lessee on the Lease Term Beginning Date as set forth in the detailed Rent Schedule at Exhibit C.

“Closing Date” means the date of the conveyance of the Leased Premises pursuant to Condition 33, which date shall be not more than ninety (90) days after the last to occur of (a) the determination of the Purchase Price; (b) the preparation and execution by the Parties of a final ESA for the Leased Premises; and (c) satisfaction of all requirements of Applicable Laws.

Construction Requirements as requested by the Government or any Approved Mortgagee.

“Damaged or Destroyed Property” means any part of the Project that is damaged (except de minimis damage) or destroyed.

“Day” means a calendar day unless otherwise specified in writing in the project document.

“Default Purchaser” means any party (other than the Government) who acquires the interest of the Lessee in this Lease pursuant to the exercise of remedies by an Approved Mortgagee, whether such acquisition is the result of a foreclosure, deed-in-lieu of foreclosure, sale or otherwise.

“Default Termination Notice” means the Government’s written notice to the Lessee that terminates this Lease, without any cost or liability to the Government, if an Event of Default exists. Such notice shall be effective as of the date specified therein, which shall be at least five (5) but not more than thirty (30) days after its receipt by the Lessee.

“Design Criteria Package” means the plans approved in the Design Criteria Package and the plans for any additional development or improvements on the Leased Premises approved by the Government in a subsequent Design Criteria Package.

“EBS” means the Environmental Baseline Survey at Eglin Air Force Base, dated November 2005 and delivered to the Lessee.

“Effective Date” means July 30, 2007.

“Event of Default” means the following: The Lessee’s failure to comply with any provision of this Lease, where such failure to comply continues for thirty (30) days after delivery of written notice thereof by the Government to the Lessee and all Approved Mortgagees. If, however, such default is not reasonably susceptible to cure within such thirty (30) day period, the Lessee shall have such longer period as may be approved in writing in advance by the Government, which approval shall not be unreasonably withheld, to cure such default so long as the Lessee commences curing such default within the initial thirty (30) day period and diligently prosecutes such cure to completion in accordance with a schedule approved in writing by the Government, which approval shall not be unreasonably withheld.

The failure of the Lessee to pay Rent, when due and such failure remains uncured for a period of ten (10) days after written notice to the Lessee by the Government of the Lessee’s failure to pay such amount.

The Lessee voluntarily files for bankruptcy protection under the United States Bankruptcy Code (the “Bankruptcy Code”) or voluntarily becomes subject to any reorganization, receivership, insolvency proceeding, or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an involuntary case is commenced against the Lessee by any creditor of the Lessee pursuant to the Bankruptcy Code or other federal or state law affecting debtor and creditor rights and is not dismissed or discharged within sixty (60) days after filing.

If any voluntary or involuntary petition is filed under the Bankruptcy Code by or against the Lessee (other than an involuntary petition filed by or joined in by the Government), the Lessee shall not assert, or request any other party to assert, that the automatic stay under the Bankruptcy Code shall operate or be interpreted to stay, interdict, condition, reduce, or inhibit the ability of the Government to enforce any rights it has by virtue of any agreement between the Parties, or any other rights that the Government has, whether now or hereafter acquired, against any party responsible for the debts or obligations of the Lessee under such agreements. Furthermore, the Lessee shall not seek a supplemental stay or any other relief, whether injunctive or otherwise, pursuant to the Bankruptcy Code, to stay, interdict, condition, reduce, or inhibit the ability of the Government to enforce any of its rights under such agreements against any party responsible for the debts or obligations of the Lessee. The waivers contained in this Condition are a material inducement to the Government’s willingness to enter into this Lease and the Lessee acknowledges and agrees that no grounds exist for equitable relief that will bar, delay, or impede the exercise by the Government of its rights and remedies under such agreements against the Lessee or any party responsible for the debts or obligations of the Lessee.

If any or all of the Project or any interest in the Project becomes the property of any bankruptcy estate or subject to any state or Federal insolvency proceeding, then the Government shall immediately become entitled, in addition to all other relief to which the Government may be entitled under any agreement between the Parties, to obtain (i) an order from the Bankruptcy Court or other appropriate court granting immediate relief from the automatic stay pursuant to the Bankruptcy Code so as to permit the Government to pursue its rights and remedies at law and in equity under applicable state law, and (ii) an order from the

Bankruptcy Court prohibiting the Lessee's use of all "cash collateral," as defined under the Bankruptcy Code. In connection with such Bankruptcy Court orders, the Lessee shall not contend or allege in any pleading or petition filed in any court proceeding that the Government does not have sufficient grounds for relief from the automatic stay. The Lessee acknowledges and agrees that any bankruptcy petition or other action taken by the Lessee to stay, condition, or prevent the Government from exercising its rights or remedies under this Lease or any other agreement between the Parties shall be deemed to be in bad faith.

At the election of the Government and upon written notice thereof to the Lessee, the occurrence of a "In-Kind Consideration Account ("ICA") Event of Default." As used in this Condition 7.1.4, a "ICA Event of Default" means failure to comply with the ICA Requirements identified in Condition 25.

"Excusable Delay" means the Government and Lessee shall be excused from performing an obligation or undertaking provided for in this Lease, and the period for the performance of any such obligation or undertaking shall be extended for a period equivalent to the period of such delay, so long as such performance is prevented or unavoidably delayed, retarded or hindered by an act of God, fire, earthquake, flood, explosion, war, invasion, insurrection, riot, mob violence, sabotage, act of terrorism, inability to procure or a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure or unavailability of transportation, strike, lockout, action of labor unions, a taking by eminent domain, requisition, laws, orders of government or of civil, military or naval authorities (but only such orders of a general nature pertaining to the Property and comparable properties in the State of Florida), governmental restrictions (including without limitation, access restrictions imposed by the Government and arising without fault or negligence on the part of the Lessee that significantly hinder the Lessee's ability to access the Leased Premises and perform its construction responsibilities in a timely manner), required environmental remediation or any other cause, whether similar or dissimilar to the foregoing not within the reasonable control and without the fault or negligence of the Government or the Lessee, as the case may be, and/or any or any of their respective officers, agents, servants, employees and/or any others who may be on the Leased Premises at the invitation of the Lessee or the invitation of any of the aforementioned persons, specifically excluding, however, delays for adjustments of insurance and delays due to shortage or unavailability of funds.

"Extensive Damage or Destruction of Improvements" means the magnitude of Damaged or Destroyed Property, as determined by the Government and any Approved Mortgagees in consultation with the Lessee, is so extensive that the Project cannot be used by the Lessee for its operations and the repairs, rebuilding, or replacement of the Damaged or Destroyed Property cannot reasonably be expected to be substantially completed within nine (9) months of the occurrence of the casualty.

"Facility" means, only for the purposes of Condition 24.3, lodgings, stores, shops, restaurants, cafeterias, restrooms, and any other facility of a public nature in any building covered by, or built on land covered by, this Lease.

"Fair Market Rental Value of the Leased Premises" means the annual fair market rental value of the Leased Premises, exclusive of the Leased Premises Improvements, as determined by a duly

licensed and qualified appraiser mutually acceptable to the Government and Default Purchaser using the Uniform Standards of Professional Appraisal issued by the American Institute of Real Estate Appraisers and based on the then current use of the Leased Premises.

“Final PCR” means a PCR prepared by the Government and signed by the Parties within ten (10) days after the expiration or earlier termination of this Lease for each respective parcel of the Leased Premises.

“Final Plans” means any or all of the Design Criteria Packages that are 100% complete.

“Final Plan Decision” means the decision (i) of the Government for (a) any Plan Dispute involving \$10,000 (exclusive of interest) or less or, (b) any Plan Dispute involving more than \$10,000 that is not timely appealed to the Secretary; or (c) of the Secretary for any Plan Dispute involving more than \$10,000 (exclusive of interest) that is timely appealed.

“ICA” means the In-Kind Consideration Account for the deposit of the Rent by the Lessee and the making of disbursements only with the prior approval of the Government, and that the Lessee is required to establish and maintain in accordance with Condition 25.2.

“ICA Event of Default” means failure to comply with the ICA Requirements in Condition 25.2.

“Government” means the United States of America acting by and through the Secretary of the Air Force.

“Government Retention Notice” means the Government’s written notice to Lessee of the Government’s election to require that all or any portion of the Leased Premises Improvements and the personal property of the Lessee located therein revert or be transferred to the Government, as applicable, on the Lease Termination Date or the effective date of any Default Termination Notice or Termination Notice for Extensive Damage or Destruction.

“Hazardous Substance” shall have the meaning defined in section 9601(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S. C. § 9601(14)).

“Improvement Removal Report” means a report provided by the Lessee to the Government that is prepared by a construction and demolition expert approved by the Government, such approval not to be unreasonably withheld or delayed, which report details and estimates the cost of removing all improvements on the Leased Premises.

“IRP” means the Eglin Installation Restoration Program (IRP).

“LBP” means lead-based paint materials (LBP).

“Leased Premises” means the real property described in Exhibit A to this Lease.

“Leased Premises Improvements” means those improvements and personal property, if any, existing on the Leased Premises on the Term Beginning Date (the “Pre-Existing Improvements”)

together with all improvements and personal property that may be constructed or placed on the Leased Premises by the Lessee (the "Additional Improvements").

"Lease Term" means the period from the Term Beginning Date through the Term Expiration Date.

"Lease Termination Extension Date" means a reasonable extension of the date for termination of this Lease granted by the Government pursuant to the Mortgagee's Right to Postpone.

"Lessee" means Okaloosa County, a County Government created under the laws of the State of Florida, with its principal offices located at 101 East James Blvd., Crestview, Florida, 32536.

"Lessee Parties" means the Lessee, the Lessee's officers, agents, servants, employees, or others (excluding those employees or agents of the Government who are on the Leased Premises for the purpose of performing official duties, and not as Tenants) who may be on the Leased Premises at their invitation or the invitation of any one of them.

"Mortgagee's Right to Postpone" means the right of each Approved Mortgagee, subject to the conditions set forth in Condition 7.3, to postpone and extend the termination date specified in the Termination Notice.

"New Lease" means a new lease requested by the Approved Mortgagee(s) in the order of the priority of their respective mortgages, in the event this Lease is terminated by the Government for any reason or is rejected in bankruptcy.

"Operating Agreement" means the Operating Agreement dated of even date with this Lease, which is incorporated into and made a part of this Lease.

"Outgrants" means, collectively, easements, rights in the nature of easements, rights of way, licenses, or other property rights or interests, whether or not of public record, reserved or granted pursuant to the first paragraph of Condition 2.1.

"PCR" means a physical condition report.

"Parties" means the Government and the Lessee, jointly.

"Party" means the Government and the Lessee, separately.

"Personal default" means any default of the Lessee that cannot be cured by the payment of money or performance of demolition, design, construction, renovation, operation, and maintenance work, including any bankruptcy of the Lessee. Examples of personal defaults include, without limitation, defaults in Conditions 24.1 through 24.4, 24.6, and 24.7 of this Lease. Defaults under Condition 26 also shall constitute personal defaults to the extent records are not available to prepare the reports required by that Condition.

"Pesticide Management Plan" means a plan for storage, mixing, and application of pesticides that the Lessee shall prepare prior to the storage, mixing, or application of any pesticide, as that

term is defined under FIFRA. The Pesticide Management Plan shall be sufficient to meet all Applicable Laws.

“Plan Alterations” means the Lessee’s proposed changes to the Design Criteria Packages previously submitted to the Government.

“Plan Alterations Exception Notice” means the Government’s written notice to the Lessee that any of the Plan Alterations submitted to the Government for its review are inconsistent with the scope of the Design Criteria Package.

“Plan Dispute” means within twenty (20) days after delivery to the Lessee of a Plan Alterations Exception Notice, the Lessee and the Government are unable to agree on whether the plans satisfy the Design Criteria.

“Pre-Construction Conference” means a pre-construction conference that the Lessee, the Lessee’s general contractor, if any, and the Government attend to acquaint the Lessee, the Government and the other participants with the Design Criteria Package.

“Project” means, collectively, the Leased Premises and the Leased Premises Improvements.

“Project Documents” refer to this Lease and all documents attached to this Lease.

“Qualified Insurers” means insurers authorized to do business and to underwrite insurance in Florida.

“Qualified Surety” means a corporate surety or insurer authorized to do business and underwrite payment and performance bonds in the state of Florida, and possessing a long-term unsecured debt rating from any Rating Agency of no lower than two rating categories below the highest rating outstanding on the securities backed by this transaction.

“Rating Agency” means any nationally recognized credit rating service that at the time has one or more outstanding ratings of any securities issued by the Lessee to fund construction of the Project.

“Rent” means, collectively, Base Rent and Additional Rent.

“Restoration Deadline” means the date by which the Lessee shall remove all of the Leased Premises Improvements and its other property from the Leased Premises and restore the Leased Premises to the reasonable satisfaction of the Government, which date shall be no later than one hundred eighty (180) days after the Lease Termination Date, or the effective date of a Default Termination Notice pursuant to Condition 7.3.1 or a Termination Notice for Extensive Damage or Destruction of Improvements pursuant to Condition 7.3.2, as applicable, or a date mutually agreed to by Lessee and the Government.

“Secretary” means the United States of America acting by and through the Secretary of the Air Force.

“Site Design Plans” means the site design plans and specifications (which shall include utilities systems and landscaping.)

“Substantial Completion” means completion of all of the Leased Premises Improvements as approved by the Government in accordance with the Design Criteria Package.

“Sublessee” means a tenant of the Lessee.

“Term Beginning Date” means 12:01 a.m. local time, July30, 2007

“Term Expiration Date” means 11:59 p.m. local time, July 30, 2032 unless sooner terminated in accordance with the terms contained in this Lease.

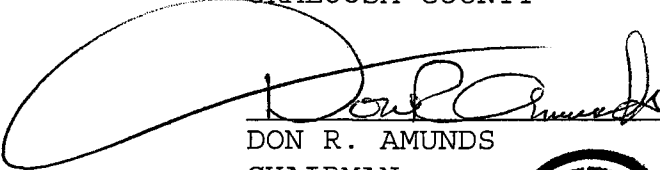
“Termination Notice” means the Government’s notice of termination to the Lessee when the Government elects to terminate this Lease pursuant to Condition 7.3.

“Termination Notice for Extensive Damage or Destruction of Improvements” means written notice by the Government or the Lessee to the other Party that terminates this Lease in the event of Extensive Damage or Destruction of Improvements. Such notice shall be effective as of the date to be specified therein, which shall be at least thirty (30) but not more than forty five (45) days after its receipt by the Lessee.

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THIS LEASE is also executed by the Lessee as of this 30th day of July 2007.

OKALOOSA COUNTY

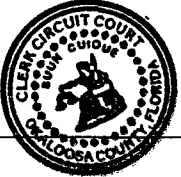


DON R. AMUNDS
CHAIRMAN



ATTEST:


GARY J. STANFORD
FINANCE DIRECTOR



LIST OF EXHIBITS

Exhibit A - Description and Map of Leased Premises

Exhibit B - Physical Condition Report

Exhibit B-2 - Environmental Baseline Survey

Exhibit C - Rent Schedule

Exhibit D - Design Criteria Package

Exhibit E - Operating Agreement

Exhibit F - Escrow Agreement

EXHIBIT A

DESCRIPTION AND MAP OF LEASED PREMISES

EXHIBIT B

PHYSICAL CONDITION REPORT

As of July 16, 2007

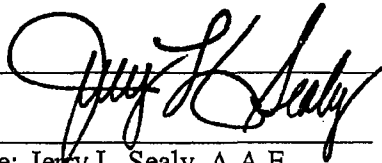
Re: Eglin Air Force Base (AFB)

This is to confirm that the undersigned, as the Lessee of the Leased Premises pursuant to that certain Lease of Property dated as of the date first set forth above by and between the Secretary of the Air Force (the "Government"), and the undersigned, which Leased Premises consists of one parcel of land situated within the boundaries of Eglin AFB in Okaloosa, Florida, has inspected the Leased Premises and all environmental reports concerning the Leased Premises provided to the undersigned by the Government, is familiar with the condition and characteristics of the Leased Premises and agrees, except as otherwise expressly provided in the Lease of Property, to accept the Leased Premises in "as-is, where-is" condition, without any representation or warranty by the Government concerning the condition of the Leased Premises and without obligation on the part of the Government to make any alterations, repairs, additions, or improvements to the Leased Premises all in accordance with and subject to the terms of the aforementioned Lease of Property. Except as otherwise defined in this Acknowledgement, the terms used herein shall have the same meanings as set forth in the Lease of Property.

By: _____

Lessee Name: Jerry L. Sealy, A.A.E.

Title: Airports Director
Okaloosa County, Florida



**EGLIN AIR FORCE BASE
Florida**

**ENVIRONMENTAL BASELINE
SURVEY**

**FOR THE OKALOOSA REGIONAL
AIRPORT EXPANSION AT
EGLIN AIR FORCE BASE, FLORIDA**



NOVEMBER 2005

ENVIRONMENTAL BASELINE SURVEY

FOR

**THE OKALOOSA REGIONAL
AIRPORT EXPANSION AT
EGLIN AIR FORCE BASE, FLORIDA**

UNITED STATES AIR FORCE

96th Civil Engineer Group

Eglin Air Force Base, Florida

November 2005

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EXECUTIVE SUMMARY

BACKGROUND

The purpose of this Environmental Baseline Survey (EBS) is to assess the environmental conditions on a 22.6-acre tract of land located on Eglin Air Force Base (AFB), Florida (Figure ES-1). It documents whether there is any evidence to suggest possible contamination on this tract, either in the soil or groundwater, resulting from the past/current use or storage of hazardous material or from the storage of hazardous waste. This EBS is intended to support leasing of the 22.6-acre tract of Air Force land to the Okaloosa County Regional Airport for future improvements that include construction of a fuel farm, fuel dispensing island, and an airport parking area.

An EBS collects all available information on existing environmental conditions into a single document for use by the U.S. Air Force (USAF) in making decisions concerning real property transactions. Although primarily a management tool, an EBS also assists the USAF in meeting its obligations under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). An EBS is required by Department of Defense (DoD) policy before any property can be sold, leased, transferred, or acquired.

The subject property is located in an undeveloped, sparsely forested area of Eglin AFB. It is situated approximately 2.25 miles northwest of Eglin Main Base and immediately east of the Okaloosa Regional Airport. It is bordered on the north and west by an unpaved, gravel road that runs northeast to southwest, starting at State Road 85, then turning to run north to south along the west side of the property (Figure ES-2).

METHODOLOGY

The Air Force reviewed environmental documents, land use maps, and aerial photographs to identify current and historical land uses and potential sources of contamination. A review of available state and federal environmental records identified potential areas of concern. A visual site investigation (VSI) determined or confirmed the presence of recognized environmental conditions, including unusual odors, stained soil, stressed vegetation, leachate seeps, or other indications of potential contamination. Airport personnel with knowledge of the history and current use of the property were also interviewed. The result of the data-gathering process was a collection of component information that, when assembled, provides a picture of the existing environmental condition at the subject property.

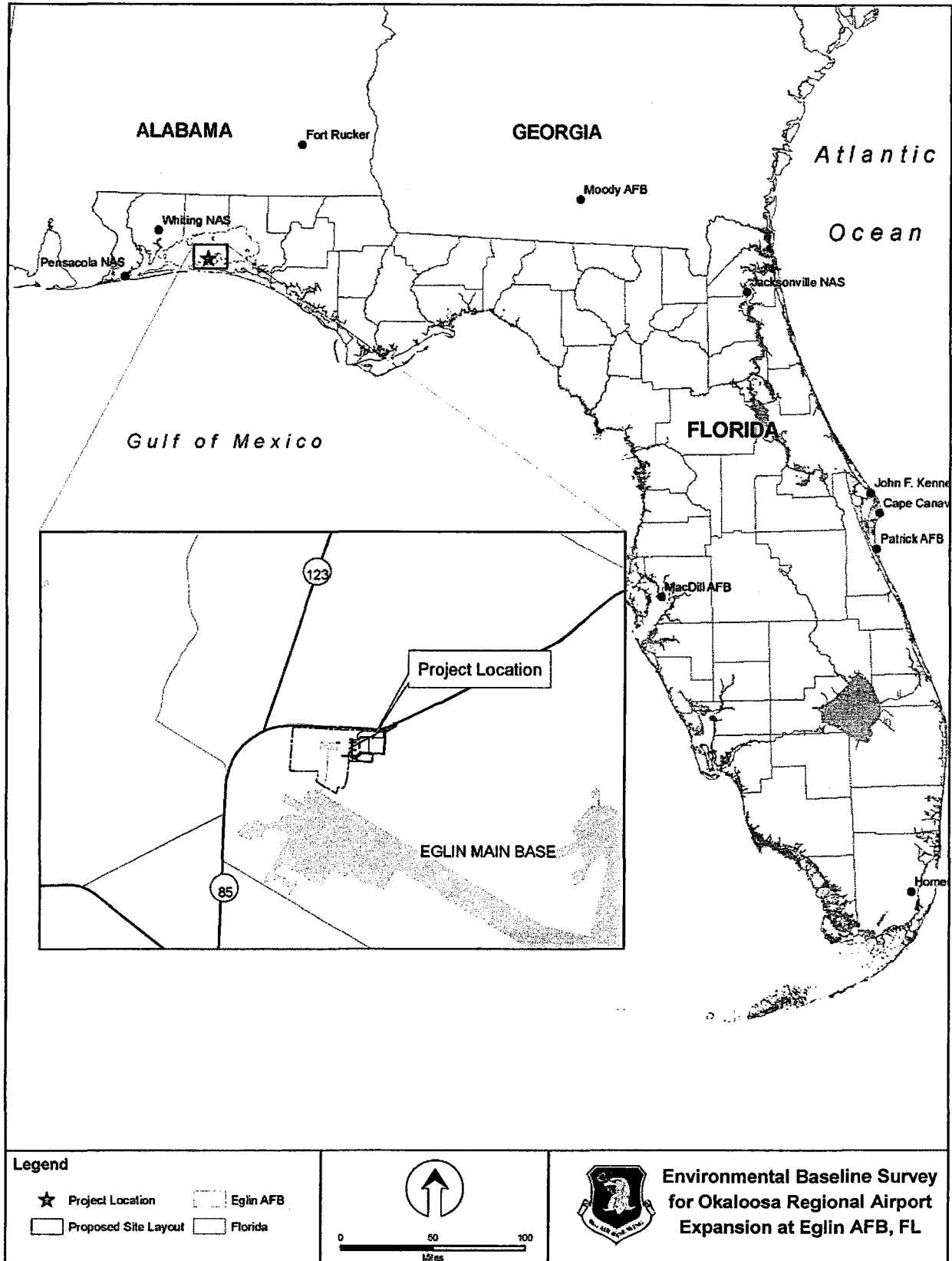


Figure ES-1. Regional and Vicinity Location of Subject Property

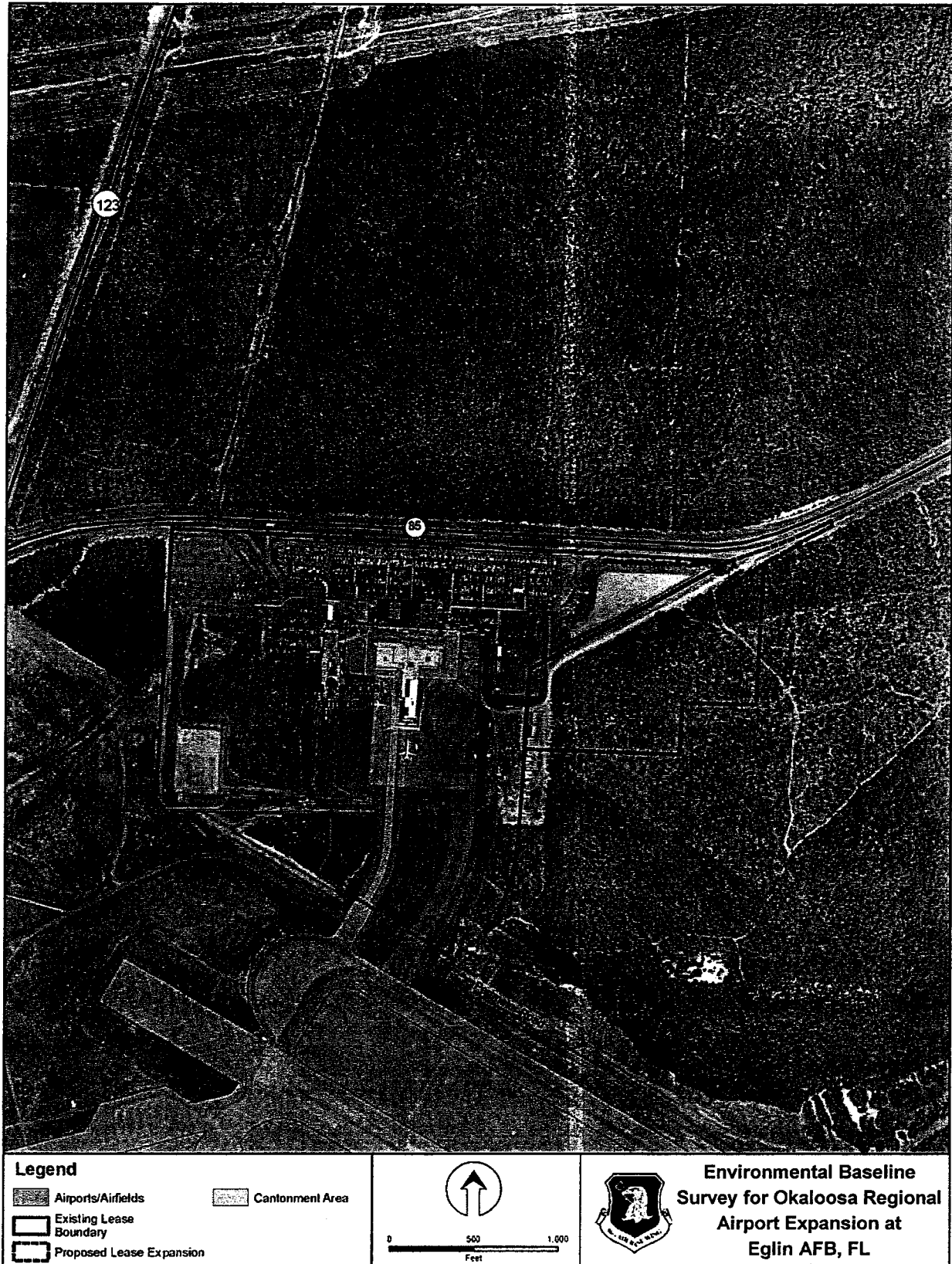


Figure ES-2. Location of Subject Property

FINDINGS

The subject property comprises an undeveloped, sparsely forested area with no improvements present. Based on the records search, personnel interviews, and VSI, there is no obvious evidence of contamination or spills associated with the subject property and no evidence of the disposal of hazardous substances or petroleum products or their derivatives on the property, or migration of such substances from adjacent areas.

CONCLUSIONS

The observed conditions at the subject property are summarized using categories that indicate the type of action that may have resulted at the properties from the presence of hazardous substances or petroleum products (Table ES-1).

Table ES-1. Categories Used to Describe the Subject Property

Category	Description
1	Areas where no release or disposal of hazardous or petroleum substances has occurred (including no migration of these substances from adjacent areas).
2	Areas where only storage of petroleum substances has occurred.
3	Areas where release, disposal, and/or migration of hazardous substances has occurred, but at concentrations that do not require removal or remedial response.
4	Areas where release, disposal, and/or migration of hazardous substances has occurred, and all removal or remedial actions have been taken.
5	Areas where release, disposal, and/or migration of hazardous substances has occurred, and all removal or remedial actions are underway, but not yet taken.
6	Areas where release, disposal, and/or migration of hazardous substances have occurred, but remedial actions have not been implemented.
7	Areas that are not evaluated or require additional evaluation.

In accordance with Air Force Instruction (AFI) 32-7066, areas classified as Category 1 through Category 4, as defined above, may undergo transfer of ownership without reservation based on their environmental condition. The assessment indicates no obvious evidence of environmental contamination associated with the subject property. Subsequently, the property is classified as Category 1 (Table ES-2).

Table ES-2. Facility Matrix

Site	Environmental Issues				Comments	Property Category
	Hazardous Materials or Petroleum Products	Hazardous or Petroleum Wastes	Storage Tanks	Hazardous Substance Releases		
Proposed 22.6-acre tract located immediately east of the Okaloosa Regional Airport	None	None	None	None known or observed	The assessment indicates no obvious evidence of contamination at the subject property based on past or current use.	1

1. PURPOSE OF THE ENVIRONMENTAL BASELINE SURVEY

The purpose of this Environmental Baseline Survey (EBS) is to assess the environmental conditions on a 22.6-acre tract of land located on Eglin Air Force Base (AFB), Florida (Figure 1-1). It documents whether there is any evidence to suggest possible contamination on this tract, either in the soil or groundwater, resulting from the past/current use or storage of hazardous material or from the storage of hazardous waste. This EBS is intended to support leasing of the 22.6-acre tract of Air Force land to the Okaloosa County Regional Airport for future improvements that include construction of a fuel farm, fuel dispensing island, and an airport parking area.

An EBS collects all available information on existing environmental conditions into a single document for use by the U.S. Air Force (USAF) in making decisions concerning real property transactions. Although primarily a management tool, an EBS also assists the USAF in meeting its obligations under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) as amended by the Community Environmental Response Facilitation Act. Department of Defense (DoD) policy requires an EBS before any property can be sold, leased, transferred, or acquired.

An EBS identifies recognized environmental conditions, defined as the presence or likely presence of any hazardous substances or petroleum products under conditions that indicate an existing release, a past release, or the material threat of a release into structures on the property or into the ground, groundwater, or surface water of the property. The term does not include *de minimis* conditions that generally do not represent a material risk of harm to public health or the environment and that generally would not be the subject of a regulatory enforcement action. Section 8 of this document contains certifications that attest to the environmental conditions at the subject property.

1.1 BOUNDARIES OF THE PROPERTY AND SURVEY AREA

The 22.6-acre subject property is located on undeveloped land south of State Road 85 (SR-85) in Okaloosa County. The property is situated adjacent to the east boundary of the Okaloosa County Regional Airport on Eglin AFB property (Figure 1-2).

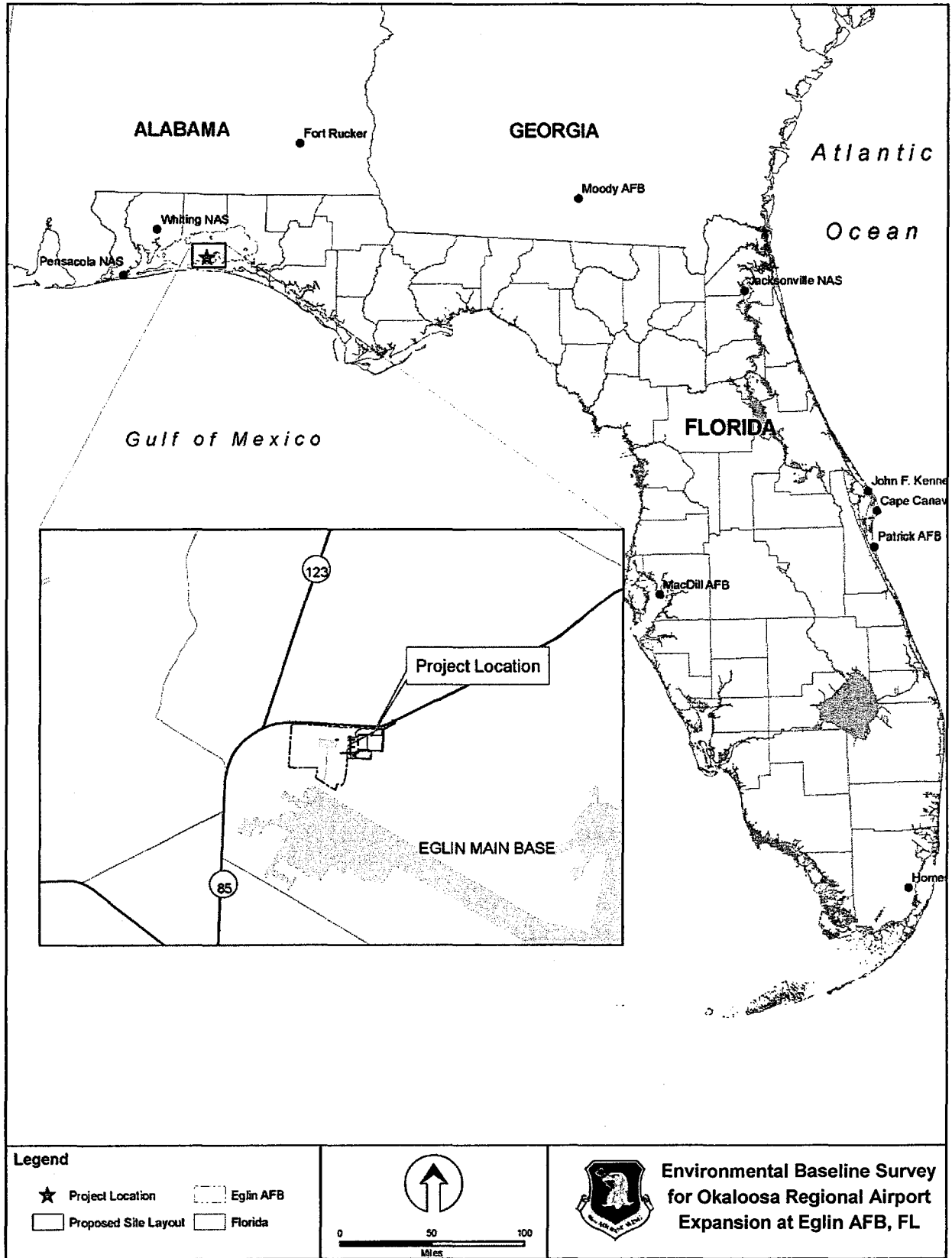


Figure 1-1. Regional and Vicinity Location of Subject Property

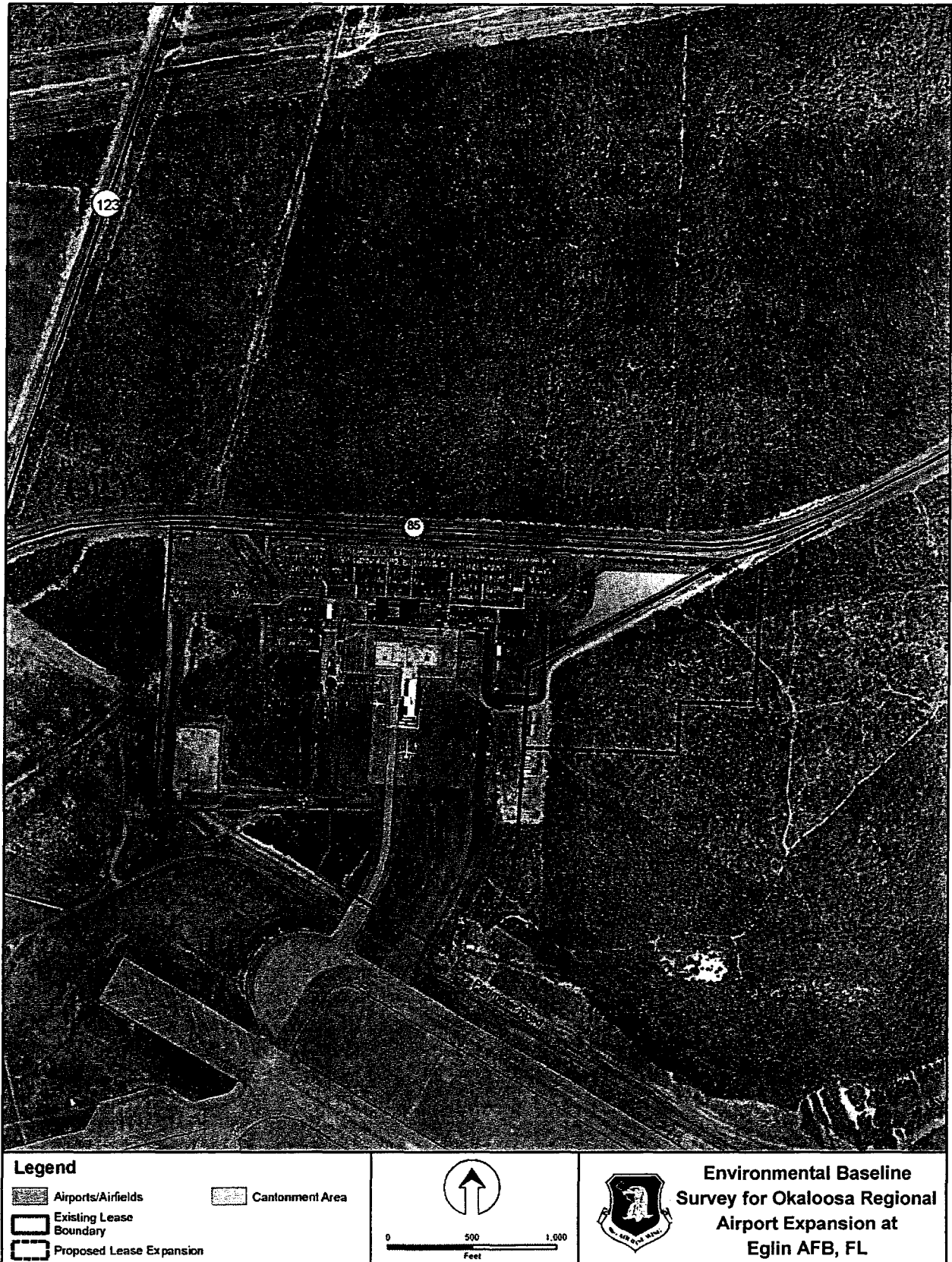


Figure 1-2. Location of Subject Property

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2. SURVEY METHODOLOGY

2.1 APPROACH AND RATIONALE

This EBS documents whether there is any evidence to suggest possible contamination at the subject property, either in the soil or in groundwater, resulting from the past/current usage or storage of hazardous material or from the storage of hazardous waste. This EBS follows a methodical process in which available information was analyzed and conclusions were drawn about the condition of the property. The findings presented in this EBS were developed based on:

- A review of previously developed data for the subject property.
- Interviews with personnel with knowledge of the history and current use of the property.
- A physical reconnaissance of the subject property.

The Air Force reviewed environmental documents, land use maps, and aerial photographs to identify current and historical land uses and potential sources of contamination, as well as available state and federal environmental records to identify potential areas of concern. A physical inspection of the property was conducted to identify any evidence of staining, distressed vegetation, or other indications of contamination. Airport personnel with knowledge of the history and current use of the property were interviewed. The result of the data-gathering process was a collection of component information that, when assembled, provides a picture of the existing condition. This enables the researchers to sort the property into defined environmental resource categories and identify data gaps.

This EBS was prepared in accordance with the provisions of Air Force Instruction (AFI) 32-9004, Disposal of Real Property (U.S. Air Force, 1994a), AFI 32-7066, Environmental Baseline Surveys in Real Estate Transactions, (U.S. Air Force, 1994b), and the American Society for Testing and Materials (ASTM) Standard E-1527, Environmental Site Assessment for Commercial Real Estate (ASTM, 2000).

2.1.1 Description of Documents Reviewed

A variety of information and/or references were reviewed pertaining to the property, including environmental documents, photographs, and maps as listed in Table 2-1.

Table 2-1. Data Sources Reviewed for EBS

Data Source ¹	Date
Documents	
Eglin AFB General Plan, Eglin AFB and Duke Field, 96 th Civil Engineering Group	November 2001
Eglin AFB Environmental Restoration Program Management Action Plan	October 2002
Eglin AFB Hazardous Waste Management Plan	May 2002
Eglin AFB Hazardous Materials Management Plan	February 2003
Eglin AFB Integrated Pest Management Plan	January 2003
Environmental Baseline Survey for Proposed 108.23-acre Lease, Okaloosa County Regional Airport	September 1999
Photographs	
Aerial Photographs – Subject Property and Surrounding Areas ²	1973, 1999, 2004
Maps	
Topographical Map, 7.5-minute, Subject Property and Surrounding Areas ³	
Generalized Geologic Radon Map of Okaloosa County, FL	
Generalized land use and other maps of subject property, as depicted in documents previously listed.	

¹ Complete data references are provided in Appendix D.

² Copies of these photographs are included in Appendix C, Figures C-1 and C-3.

³ Copy of topographical map for the subject property is presented in Appendix B, Figure B-1.

2.1.2 Personal Interviews

Table 2-2 lists individuals interviewed during the site visit conducted on 15 August 2005, or in follow-up communications regarding various issues related to the subject property, including past and current uses of the property and surrounding properties.

Table 2-2. List of Personnel Interviewed

Name	Title/ Responsibility	Organization
Terry Curry	Airport Operations Manager	Okaloosa County Airports
Jon P. Morris	Airport Administrations Manager	Okaloosa County Airports
Elaine Powell	Airport Representative	Avis Car Rental
Bobbi Barkman	Environmental Compliance Attorney – National Car Rental	Paul, Hastings, Janofsky, and Walker, L.L.P., Washington, D.C.

2.1.3 Visual Site Investigation

A visual site investigation (VSI) of the property was conducted 15 August 2005, to determine or confirm the presence of recognized environmental conditions, including unusual odors, stained soil, stressed vegetation, leachate seeps, or other indications of potential contamination. The VSI included a review of adjacent properties (described in Section 4) surrounding the properties. Photographs of the subject property and nearby areas taken during the VSI are included in

Appendix C, Photographs C-1 through C-14. The location where the photographs were taken is depicted in Figure C-4, Appendix C.

2.1.4 Sampling

Sampling (air, water, soil, etc.) was not conducted as part of the EBS. Based on the records search, personnel interviews, and VSI, there is no evidence of the need for follow-up with environmental sampling at the subject property.

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3. FINDINGS FOR SUBJECT PROPERTY

3.1 HISTORY AND CURRENT USE

The subject property is located on Eglin AFB property, approximately 2.25 miles northwest of Eglin Main Base. Eglin AFB began as a bombing and gunnery range outside of Valparaiso, Florida, in 1935. Over the next decade, Eglin Field complex was established and became a major command for aircraft, weapons, and equipment testing during World War II. By 1950, Eglin Field had been redesignated Eglin AFB, and its activities expanded when the Air Research and Development Command (later Air Force Systems Command) established the Air Force Armament Center at the base. An instrumented test range was added in the Gulf of Mexico in the mid-1950s. Responsibilities at Eglin AFB grew in the 1960s with increased emphasis on conventional weapons. Today, the Air Armament Center (AAC) provides test and evaluation support primarily for the development of non-nuclear munitions, electronic systems, and navigation/guidance systems (U.S. Air Force, 2002).

3.1.1 Chain of Title

The subject property is located within the boundary of Eglin AFB. The major bulk of the Eglin Reservation, consisting of 340,890 acres of the Choctawhatchee National Forest, was acquired by the Department of Agriculture and transferred on 27 June 1940 to the War Department by Public Law 668, 76th Congress. Public domain land was also transferred from the Department of Agriculture to the War Department by Public Law 668. There were numerous private purchases and condemnation actions after enacting Public Law 668 to obtain private properties within the transferred area, including the area encompassing the subject property. Detailed chain of title information was not available for inclusion in this EBS, but may be obtained from the Eglin AFB Real Property Office (96 CEG/CERR) (U.S. Air Force, 2004).

3.1.2 Property Overview/Inspection

The subject property is a flat forested/undeveloped plot of land with groundcover composed primarily of slash pine, palmettos, scrub/live oak, grasses, moss, and underbrush (Photographs C-1 through C-10). The VSI indicated no evidence of staining, distressed vegetation, standing liquids, odors, sinkholes, tanks, drums, containers, or other indications of potential contamination.

Land Use – A review of an aerial photograph dating back to the early 1970s shows that the general area associated with the subject property has remained undeveloped. The 1973 photograph (Appendix C, Figure C-1) shows the property to be forested. The unpaved road that currently borders the property on the north is evident in the photograph. No other

improvements are visible, although improvements associated with Eglin AFB's Runway 12/30 are evident to the south.

The 1999 photograph (Figure C-2) shows improvements associated with the initial phase of the Okaloosa Regional Airport located to the west of the property. In the photograph, the subject property remains undeveloped, but most of the area has been cleared of trees as part of Eglin AFB's routine forest management practices. The 2004 photograph (Figure C-3) depicts the area as it essentially appears today. The recent improvements to the Okaloosa Regional Airport, which include the new terminal, parking areas, and retention pond, are visible immediately to the west/northwest of the property.

3.2 ENVIRONMENTAL SETTING

The subject property evaluated in this EBS is located in Okaloosa County, Florida. A review of the U.S. Geological Survey (USGS) topographic quadrangles for the subject property show the proposed site as relatively flat, with an elevation of approximately 85 feet above mean sea level (MSL). A copy of the USGS topographic quadrangle map for this site is included as Appendix B, Figure B-1. The following paragraphs discuss surface soils, site geology, and site hydrogeology.

Geomorphology – The generalized lithology in the Okaloosa County portion of Eglin AFB consists of a 50- to 100-foot-thick layer of the Citronelle Formation/Pliocene-Pleistocene nonmarine, quartz sand with numerous beds, stringers, and lenses of clay and gravel. The Alum Bluff Group, consisting of sands, clays, and shell beds, and the Intracoastal Formation, consisting of carbonate layers with intervening phosphate sand, interfinger underneath the area and extend approximately 350 feet below sea level. These sediments are underlain by the Bruce Creek limestone and the Chattahoochee/Chickasawhay undifferentiated limestone (U.S. Air Force, 2002).

Geology and Soils – Much of the Eglin region is underlain by noncohesive sandy sediments that were deposited by marine processes during Tertiary and Quaternary times. The materials occurring at the surface are relatively clean sands classified as Lakeland Series soils (found on up to 78 percent of the reservation). Other surface soils found at Eglin include the Tifton and Troup Series. These soils are characterized as having a high infiltration rate when thoroughly wetted. They consist chiefly of deep, well-to-excessively drained sands or gravels with a high rate of water transmission that produces a low surface runoff potential. They also have a very low content of clay and typically include loose sands through loamy sandy soils (U.S. Air Force, 2002).

Hydrology – Regional groundwater resources consist of two aquifers (areas where groundwater exists in ample quantities), the Sand and Gravel Aquifer and the Floridan Aquifer. The Floridan Aquifer is located below the Sand and Gravel Aquifer and extends beneath most of Florida. Depth to groundwater in the Sand and Gravel Aquifer is approximately six (6) feet below ground surface. Rainfall that falls on the land surface rapidly infiltrates the soil profile to recharge the shallow groundwater. The stored groundwater is released slowly to the surface water. Groundwater flow varies at each location, but is generally toward the south-southeast in the direction of major bodies of water, such as Choctawhatchee Bay (U.S. Air Force, 2002).

3.3 HAZARDOUS SUBSTANCES

3.3.1 Hazardous Materials and Petroleum Products

Based on the records search, personnel interviews, and VSI, there is no evidence of historical or current storage of hazardous materials or petroleum products at the subject property. There is also no evidence of historical spills of hazardous materials or petroleum products at the subject property.

3.3.2 Hazardous and Petroleum Waste

The subject property does not generate or store hazardous waste as defined under the Resource Conservation and Recovery Act (RCRA) (40 CFR Part 261). Based on the records search, personnel interviews, and VSI, there is no evidence of historical generation and/or storage of hazardous or petroleum wastes or of the disposal of these wastes at the subject property.

3.3.3 Environmental Restoration Program Contamination

The Environmental Restoration Program (ERP) is used by the Air Force to identify, characterize, clean up, and restore sites contaminated with toxic and hazardous substances, low level radioactive materials, petroleum, oils, lubricants and other pollutants and contaminants. Although widely accepted at one time, the procedures followed for managing and disposing of wastes resulted in contamination of the environment. The ERP has established a process to evaluate past disposal sites, control the migration of contaminants, identify potential hazards to human health and the environment, and remediate the sites.

There are no ERP sites located on the subject property, although an ERP site is located within one mile at the Okaloosa Regional Airport (see discussion in Section 4.2). This ERP site is not likely to cause, or contribute to, a release of any hazardous substance or any petroleum product on the subject property.

3.4 STORAGE TANKS

3.4.1 Aboveground Storage Tanks

Based on the records search, personnel interviews, and VSI, there is no evidence that aboveground storage tanks (ASTs) are, or have ever been, located at the subject property. ASTs located within close proximity to the property are discussed in Section 4.2.

3.4.2 Underground Storage Tanks

Based on the records search, personnel interviews, and VSI, there is no evidence that underground storage tanks (USTs) are, or have ever been, located at the subject property. USTs located within close proximity to the property are discussed in Section 4.2.

3.4.3 Pipelines, Hydrant Fueling, and Transfer Systems

Based on the records search, personnel interviews, and VSI, there is no evidence of pipelines, hydrant fueling, and transfer systems existing at the subject property. An 18-inch natural gas pipeline operated by Okaloosa Gas is situated adjacent to the property. The pipeline provides gas for the airport heating and generator systems. The pipeline is located parallel to, and across, the unpaved road that borders the subject property on the north and west.

3.5 OIL/WATER SEPARATORS

Based on the records search, personnel interviews, and VSI, there is no evidence that oil/water separators are, or have ever been, located at the subject property.

3.6 PESTICIDES

Based on the records search, personnel interviews, and VSI, there is no evidence that pesticides are, or have ever been, employed at the subject property.

3.7 MEDICAL BIOHAZARDOUS WASTES

Based on the records search, personnel interviews, and VSI, there is no evidence that medical biohazardous wastes are, or have ever been, generated or disposed of at the subject property.

3.8 ORDNANCE

Based on the records search, personnel interviews, and VSI, there is no evidence that ordnance are, or have ever been, employed or stored at the subject property.

3.9 RADIOACTIVE WASTES

Based on the records search, personnel interviews, and VSI, there is no evidence that radioactive wastes are, or have ever been, generated or disposed of at the subject property.

3.10 SOLID WASTE

Based on the records search, personnel interviews, and VSI, there is no evidence that solid waste generation and/or disposal have occurred at the subject property.

3.11 GROUNDWATER

Groundwater characteristics and movement at the subject property are detailed in Section 3.2.

3.12 WASTEWATER TREATMENT, COLLECTION, AND DISCHARGE

Based on the records search, personnel interviews, and VSI, there is no evidence that wastewater treatment and/or disposal have occurred at the subject property.

3.13 DRINKING WATER QUALITY

Regional groundwater resources consist of two aquifers, the surficial Sand and Gravel Aquifer and the Floridan Aquifer. On Eglin AFB, water is drawn from a series of wells located throughout the installation. Due to the excellent quality of the water, the only treatment process typically required is chlorine disinfection at each well (U.S. Air Force, 2001; U.S. Air Force, 2002).

Although the quality of drinking water at Eglin AFB is excellent, the quantity of water in the aquifers is declining at a rate faster than it can recharge. The installation is in a "water caution area" as defined by the Northwest Florida Water Management District (NFWMD). Some wells at the Eglin AFB are being shut down to manage the decline in the aquifer. At Eglin, water usage is exceeding the consumptive use permit limits during the summer months because of irrigation. Several alternative methodologies are being explored or implemented by the installations to reduce consumption, conserve treated water, and reuse treated water. These include installation of low-flow equipment wherever possible, imposition of restrictions on irrigation of residential areas, and utilization of reclaimed water to reduce the use of groundwater for non-potable purposes (U.S. Air Force, 2001; U.S. Air Force, 2002).

Another problem sometimes found in heavily developed coastal areas is that of saltwater infiltration into depleted aquifers. Saltwater infiltration is not known to occur in the Eglin AFB region, but filtration could pose a long-lasting water quality problem in the future if the aquifer continues its annual decline (U.S. Air Force, 2001; U.S. Air Force, 2002).

3.14 ASBESTOS

There are no structures currently located at the subject property. Based on the records search, personnel interviews, and VSI, there is no evidence to indicate that structures (potentially containing asbestos) have ever been located at the subject property.

3.15 POLYCHLORINATED BIPHENYLS

There are no electric power transformers or other potential sources of polychlorinated biphenyls (PCBs) located on the subject property. There are also no records to indicate historical spills of PCBs at the subject areas.

3.16 RADON

There are no buildings/structures located on the subject property. A review of the U.S. Environmental Protection Agency (USEPA) *Map of Radon Zones for Okaloosa County, FL* was conducted for this EBS. This map assigns one of three zones based on radon potential. Each zone designation reflects the average short-term radon measurement that can be expected in a building without the implementation of radon-control methods. The radon zone designation of the highest priority is Zone 1 (greater than 4 picocuries per liter [pCi/L]), followed by Zone 2 (moderate potential, from 2 to 4 pCi/L), and finally Zone 3 (low potential, with less than 2 pCi/L). The map indicates that Okaloosa County is classified as Zone 3, which has a low potential for the presence of indoor radon (USEPA, 2005).

3.17 LEAD-BASED PAINT

There are no structures currently located at the subject property. Based on the records search, personnel interviews, and VSI, there is no evidence to indicate that structures (potentially containing lead-based paint [LBP]) have ever been located at the subject property.

3.18 OTHER RESOURCES

3.18.1 Wetlands

Based on the records search, personnel interviews, and VSI, there is no evidence that any of the subject property lies within areas designated as wetlands.

3.18.2 Floodplain Protection Issues

Based on the records search, personnel interviews, and VSI, there is no evidence that any of the subject property lies within the 100-year or 500-year floodplain.

3.18.3 Cultural Resources

Based on the records search, personnel interviews, and VSI, there is no evidence that cultural resources are present at the subject property.

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4. FINDINGS FOR ADJACENT PROPERTIES

4.1 LAND USES

The subject property is located in an undeveloped, sparsely forested area located approximately 2.25 miles northwest of Eglin Main Base, immediately east of the Okaloosa Regional Airport. It is bordered on the north and west by an unpaved, gravel access road that runs northeast to southwest, starting at SR-85, then turning to run north to south along the west side of the property (Photographs C-11 and C-12). North of the access road is located a retention pond, which collects stormwater from airport parking areas. SR-85 is located just beyond the retention pond to the north. Across the unpaved road to the west, the property is bordered by airport land uses of the Okaloosa Regional Airport (Photograph C-1 to C-3). A small construction staging area for the airport, consisting of a large asphalt pile and clay pile, is located approximately 50 yards south of the southwest corner of the property (Photograph C-4).

Undeveloped, forested areas associated with the Eglin Reservation are located to the east and south of the property. Eglin AFB Runway 12/30 is situated approximately 0.5 miles to the south. The nearest residential/commercial development is associated with of the City of Valparaiso, which lies approximately 2.5 miles to the northwest.

4.2 SURVEYED PROPERTIES

During the site visit, observations were made of the surficial conditions (i.e., ground surface, vegetation, etc.) of the abutting and nearby areas described above. The following sections describe sites in close proximity to the subject property with potential environmental significance, such as past sources of contamination or areas with potential to cause future contamination.

4.2.1 ERP Sites

Several ERP sites have been identified at Eglin AFB based on historical operations and environmental investigations. One of these sites, ST-99, is located within close proximity to the subject property at the Okaloosa Regional Airport (Appendix C, Figure C-4).

ERP Site ST-99 is located adjacent to Highway 85, approximately 425 yards west of the subject property. Geographic coordinates for the site are Latitude 30° 29' 43.6" North and Longitude 86° 33' 03.48" West. The site consists of three areas surrounding the Okaloosa Regional Airport tank farm and a former spill site located on the runway apron south-southwest of the tank farm. Contamination was first noted in July 1991 when Eglin AFB and Florida

Department of Environmental Protection (FDEP) personnel were notified of a fuel spill at the airport.

From 1991 to 1994, contamination assessment activities included tank tightness tests, installation of deep soil borings, organic vapor analyses of surface and subsurface soils, and installation of groundwater monitoring wells. A Contamination Assessment Report was submitted to FDEP on June 1994 that indicated that petroleum contaminants (diesel and jet fuel) were present in soils and groundwater. All USTs and piping at the tank farm were removed, along with a large quantity of petroleum-contaminated soil. Subsequent groundwater samples from the monitoring wells have indicated that there is no groundwater contaminant migration associated with the site. Consequently, FDEP has issued a statement of "No Further Action" (NFA) indicating that no further remedial action is required for the site (U.S. Air Force, 2002). (Note: The *Eglin AFB Environmental Restoration Program Management Action Plan*, dated December 2002, contains detailed documentation regarding this ERP site.)

4.2.2 Petroleum Storage Areas

There are two USTs currently located at the Okaloosa Regional Airport. The USTs are of fiberglass, double-walled construction and are operated by National Rental Car (3,500 gallons) and Avis Rental Car (4,000 gallons). These USTs were installed in the mid-1990s and are equipped with interstitial monitoring systems. No leaks have been reported for these USTs. There are also several ASTs located at the airport (Photograph C-14). The ASTs contain aviation fuel, diesel, or gasoline. These ASTs are of steel construction and are equipped with secondary containment. No spills or leaks have been reported for the ASTs. Table 4-1 lists storage tanks currently located at the airport.

Table 4-1. Petroleum Storage Tanks at the Okaloosa Regional Airport

Type	Capacity	Description	Owner/Operator	Install Date
AST	3,000	Unleaded Gasoline	Okaloosa Regional Airport	May 1996
AST	20,000	Aviation Fuel	Okaloosa Regional Airport	May 1996
AST	20,000	Aviation Fuel	Okaloosa Regional Airport	May 1996
AST	10,000	Diesel	Okaloosa Regional Airport	May 1996
AST	500	Vehicular Diesel	Okaloosa Regional Airport	NA
AST	3,000	Unleaded Gasoline	Hertz/Budget Car Rental	NA
UST	3,500	Unleaded Gasoline	Avis Car Rental	1993
UST	4,000	Unleaded Gasoline	National Car Rental	February 1993

AST – Aboveground Storage Tank; UST – Underground Storage Tank; NA – Not Available
Source: Florida Department of Environment Protection (FDEP), 2005

4.3 DATABASE SEARCH

A search of available federal/state databases was conducted to identify potential environmental issues associated with surrounding properties (extending up to 1 mile from each property). The search was completed in accordance with ASTM Standard E-1527 (ASTM, 2000) and produced by Environmental Data Resources (EDR), Inc.

There were two "positive" findings associated with fuel releases from USTs identified in the Leaking Underground Storage Tank (LUST) database. One release occurred in February 1993 from an UST owned by National Rental Car. No details regarding this release are available; however, all cleanup actions have been completed and a finding of NFA was issued by FDEP in 1996 (Barkman, 2005; EDR, 2005). The other "positive" finding was for a discharge notification associated with a release that occurred in August 1998 from a UST registered to the Okaloosa Regional Airport. No details regarding the nature of this release are available; however, no regulatory action was required (Curry, 2005; EDR, 2005).

A detailed description of information related to these findings, as well as a listing of all databases searched, is included in the EDR search reports (Appendix F). None of these findings is likely to cause or contribute to a release/migration of hazardous substances or petroleum products on the subject property.

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5. APPLICABLE REGULATORY COMPLIANCE ISSUES

5.1 LIST OF COMPLIANCE ISSUES/CORRECTIVE ACTIONS

In 1992 the Community Environmental Response Facilitation Act (CERFA) amended CERCLA and established new procedures for contamination assessment, cleanup, and related activities. CERFA supports other environmental laws to ensure that possible adverse effects of property transfers on human health and the environment are addressed and that property offering potential for reuse and redevelopment is identified expeditiously.

Based on a review of all federal regulations that govern environmental restoration and compliance (i.e., CERFA, RCRA, the Toxic Substances Control Act (TSCA), the Clean Water Act [CWA], the Safe Drinking Water Act [SDWA], and the Clean Air Act [CAA], as amended), no potential compliance issues were found based on review of the subject property.

5.2 DESCRIPTION OF CORRECTIVE ACTIONS

Not all compliance issues require corrective actions. Most issues only require notification of the future users of the property of the potential environmental liability. Corrective actions are not recommended because no compliance issues have been identified

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6. CONCLUSIONS

6.1 FACILITY MATRIX

This section summarizes observed conditions at the subject property using categories that indicate the type of action that may have resulted at the property from the presence of hazardous substances or petroleum products. This classification of environmental condition of property area types is consistent with CERCLA Section 120(h) requirements relating to the transfer of contaminated federal real property (42 United States Code 9601 and following).

Property categorization was selected based on commercial guidance from Standard Classification of Environmental Condition of Property Area Types for Defense Base Closure and Realignment Facilities (ASTM D5746-98) and Section 331 of the National Defense Authorization Act, 1997. Categories used to describe the subject property are defined below.

- Category 1:* Areas where no release or disposal of hazardous or petroleum substances has occurred (including no migration of these substances from adjacent areas).
- Category 2:* Areas where only storage of petroleum substances has occurred.
- Category 3:* Areas where release, disposal, and/or migration of hazardous substances has occurred but at concentrations that do not require removal or remedial response.
- Category 4:* Areas where release, disposal, and/or migration of hazardous substances has occurred, and all removal or remedial actions have been taken.
- Category 5:* Areas where release, disposal, and/or migration of hazardous substances has occurred, and all removal or remedial actions are underway but not yet taken.
- Category 6:* Areas where release, disposal, and/or migration of hazardous substances have occurred, but remedial actions have not been implemented.
- Category 7:* Areas that are not evaluated or require additional evaluation.

Areas classified as Category 1 through 4, as defined above, are suitable, with respect to CERCLA Section 120(h) requirements, for deed transfer to a nonfederal recipient. Under AFI 32-7066, all property classified within Categories 1 through 4 may undergo transfer of ownership without reservation. Property transactions associated with areas classified within Categories 5 through 7 may be deferred until remedial actions or further studies have occurred.

6.2 FINDINGS

The subject property comprises an undeveloped, sparsely forested area with no improvements present. Based on the records search, personnel interviews, and VSI, there is no obvious evidence of contamination or spills associated with the subject property, and no evidence of the disposal of hazardous substances or petroleum products or their derivatives on the property, or migration of such substances from adjacent areas.

6.3 CONCLUSIONS

In accordance with Air Force Instruction (AFI) 32-7066, all property classified as Category 1 through Category 4 may undergo transfer of ownership without reservation based on their environmental condition. As discussed, the property may be classified as Category 1 (*areas where no release or disposal of hazardous or petroleum substances has occurred*). Table 6-1 summarizes associated environmental conditions and property categorization.

Table 6-1. Facility Matrix

Site	Environmental Issues				Comments	Property Category
	Hazardous Materials or Petroleum Products	Hazardous or Petroleum Wastes	Storage Tanks	Hazardous Substance Releases		
Proposed 22.6-acre tract located immediately east of the Okaloosa Regional Airport	None	None	None	None known or observed	The assessment indicates no obvious evidence of contamination at the subject property based on past or current use.	1

6.4 DATA GAPS

There are no data gaps associated with this EBS.

7. RECOMMENDATIONS

Based on the records search, VSI, and interviews conducted for this EBS, no information was discovered to indicate environmental conditions that would prevent leasing of the property to the Okaloosa Regional Airport. The property has been classified as Category 1 based on the Air Force classification system outlined in Section 6.0. This classification indicates that the property transfer may proceed.

Recommendations


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8. CERTIFICATIONS

CERTIFICATION OF THE ENVIRONMENTAL BASELINE SURVEY

Science Applications International Corporation (SAIC) has conducted this Environmental Baseline Survey on behalf of the Air Force. SAIC has reviewed all appropriate records made available and conducted visual site inspections of the selected facilities following an analysis of information during the record search. The information contained within the survey report is based on records made available and, to the best of the SAIC's knowledge, is correct and current as of 22 November 2005.

Description of Property: The 22.6-acre subject property is located on undeveloped land south of SR-85 in Okaloosa County. The property is situated immediately adjacent to the east boundary of the Okaloosa County Regional Airport on land owned by Eglin AFB.

Certified by:  Date: 22 November 2005
LUIS DIAZ
SR. PROJECT MANAGER
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC)

Approved by:  Date: 5 DEC 05
TIMOTHY P. GAFFNEY, Colonel, USAF
Commander, 96th Civil Engineer Group

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Certifications

CERTIFICATION OF PCB CLEARANCE

This Real Property is in compliance with 40 CFR 761 as outlined below:

- a. An inventory has been prepared and is being maintained of all PCB Real Property Installed Equipment and Real Property PCB Items according to Section 761.45.

Yes ___ No ___ Not Applicable X

- b. All in-service and stored serviceable PCB and PCB-contaminated Real Property Installed Equipment and Real Property PCB Items have been inspected, repaired, and are being maintained to prevent leakage, and therefore can be distributed according to Section 761.30.

Yes ___ No ___ Not Applicable X


- c. PCB Real Property Installed Equipment and Real Property PCB Items have been stored, decontaminated, and labeled according to Sections 761.42, 761.43, and 761.44.

Yes ___ No ___ Not Applicable X

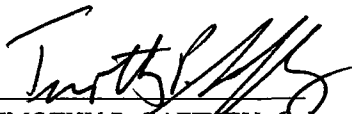
- d. There is no known PCB-contaminated soil, waste, or unserviceable equipment remaining on the existing property.

Yes X No ___ Not Applicable ___

Description of Property: The 22.6-acre subject property is located on undeveloped land south of SR-85 in Okaloosa County. The property is situated immediately adjacent to the east boundary of the Okaloosa County Regional Airport on land owned by Eglin AFB.

Certified by: 
LUIS DIAZ
SR. PROJECT MANAGER
SCIENCE APPLICATIONS INTERNATIONAL CORPORATION (SAIC)

Date: 22 November 2005

Approved by: 
TIMOTHY P. GAFANEY, Colonel, USAF
Commander, 96th Civil Engineer Group

Date: 5 Dec 05

Certifications

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APPENDIX A

ACRONYMS, ABBREVIATIONS, AND TERMS

ACRONYMS, ABBREVIATIONS, AND TERMS

96 CEG/CERR	Real Property Office
AAC	Air Armament Center
ACBM	Asbestos-Containing Building Materials
AFB	Air Force Base
AFI	Air Force Instruction
AST	Aboveground Storage Tank
ASTM	American Society for Testing and Materials
CAA	Clean Air Act
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act
CERFA	Community Environmental Response Facilitation Act
CFR	Code of Federal Regulations
CWA	Clean Water Act
DoD	Department of Defense
EBS	Environmental Baseline Survey
EDR	Environmental Data Resources
ERP	Environmental Restoration Program
FDEP	Florida Department of Environmental Protection
LBP	Lead-Based Paint
LUST	Leaking Underground Storage Tank
MSL	Mean Sea Level
NFA	No Further Action
NFWMD	Northwest Florida Water Management District
PCB	Polychlorinated Biphenyl
pCi/L	Picocuries per Liter
RCRA	Resource Conservation and Recovery Act
SAIC	Science Applications International Corporation
SDWA	Safe Drinking Water Act
SR	State Road
TSCA	Toxic Substances Control Act
U.S.	United States
USAF	U.S. Air Force
USEPA	U.S. Environmental Protection Agency
USGS	U.S. Geological Survey
UST	Underground Storage Tank
VSI	Visual Site Investigation

APPENDIX B

MAPS

Source: USGS, 2005

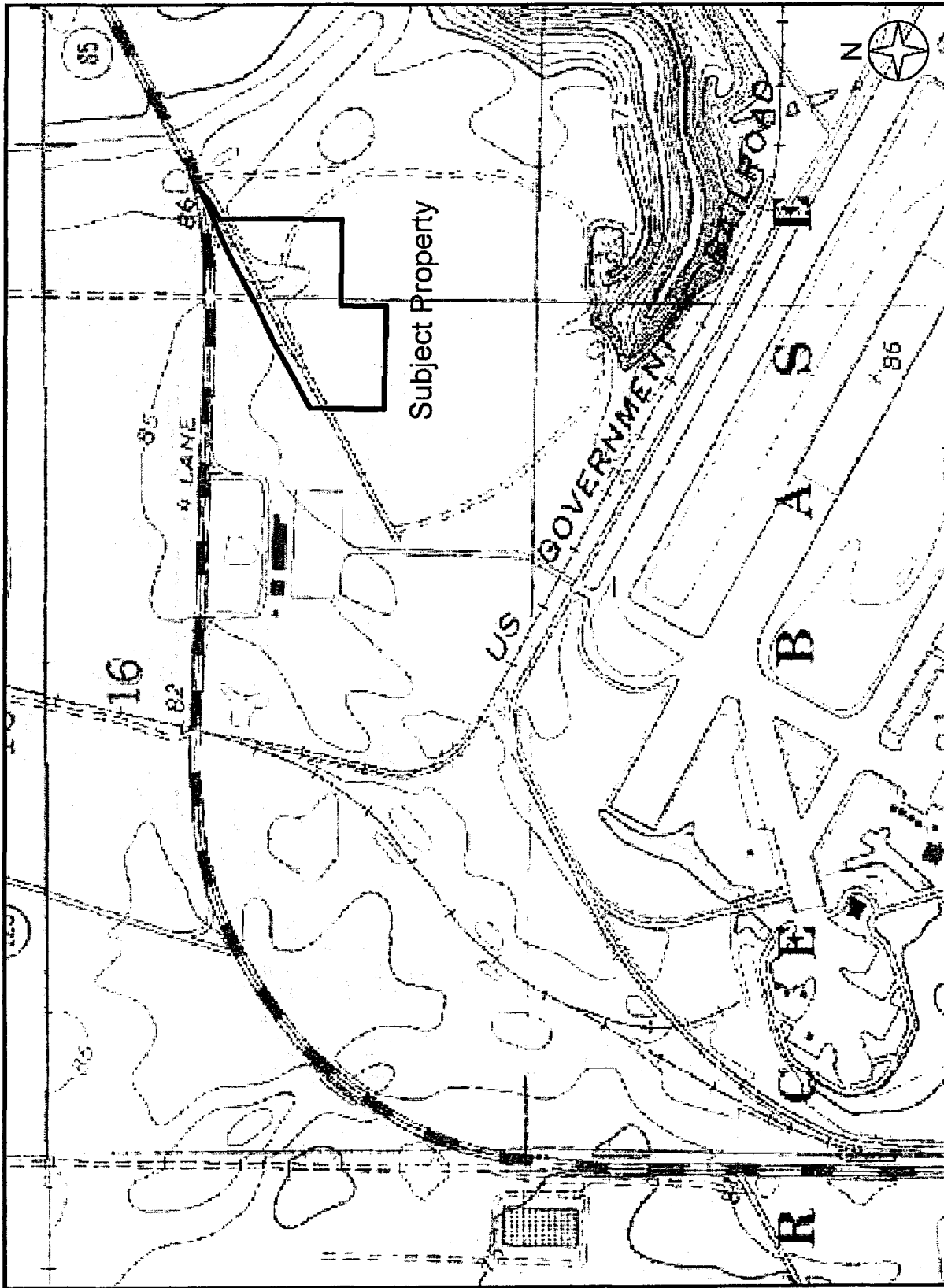


Figure B-1. USGS 7.5 Minute Topographic Quadrangle of Subject Property

Source: U.S. Air Force, 2005

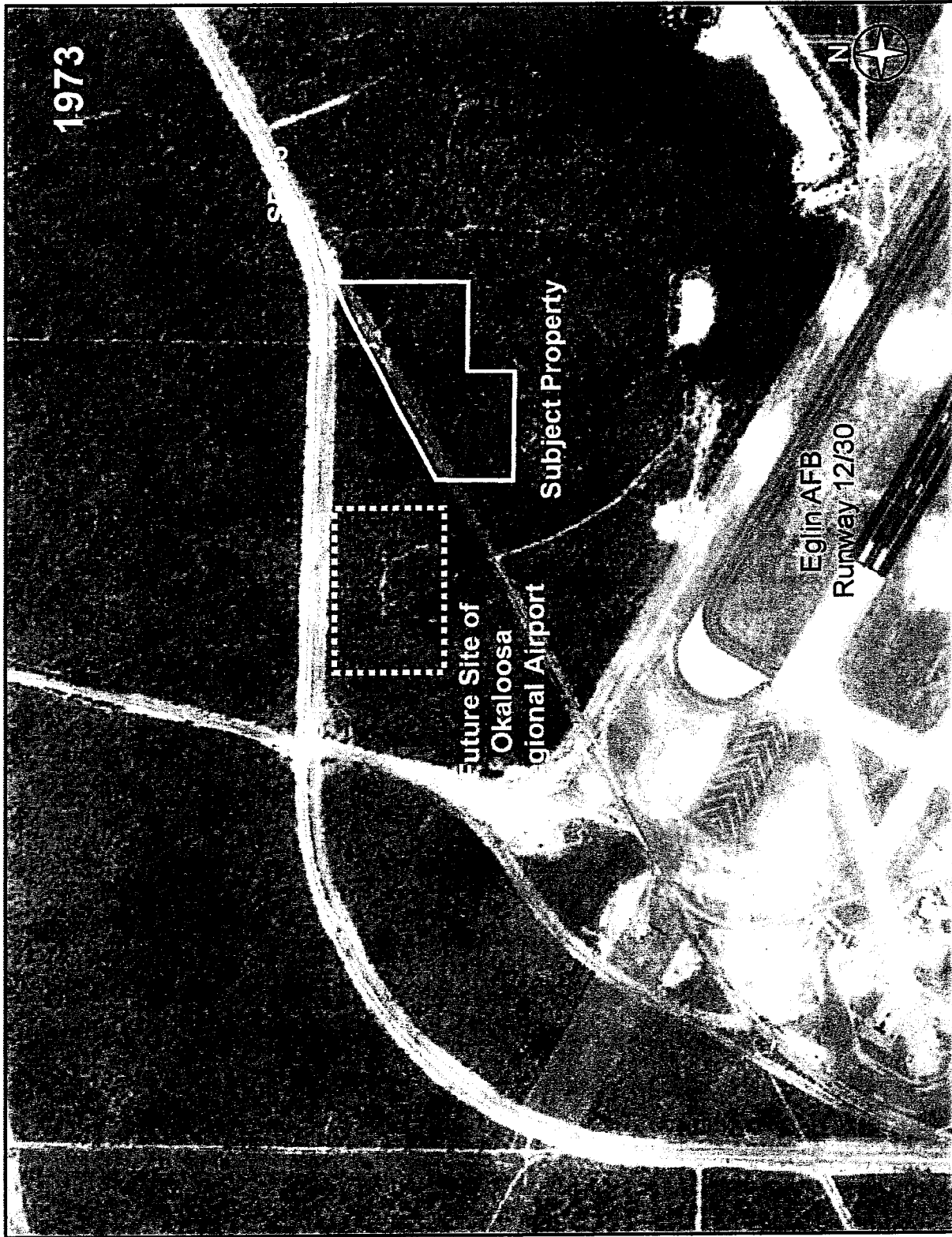


Figure C-1. Aerial Photograph of Subject Property and Surrounding Areas (Year 1973)

Source: U.S. Air Force, 2005

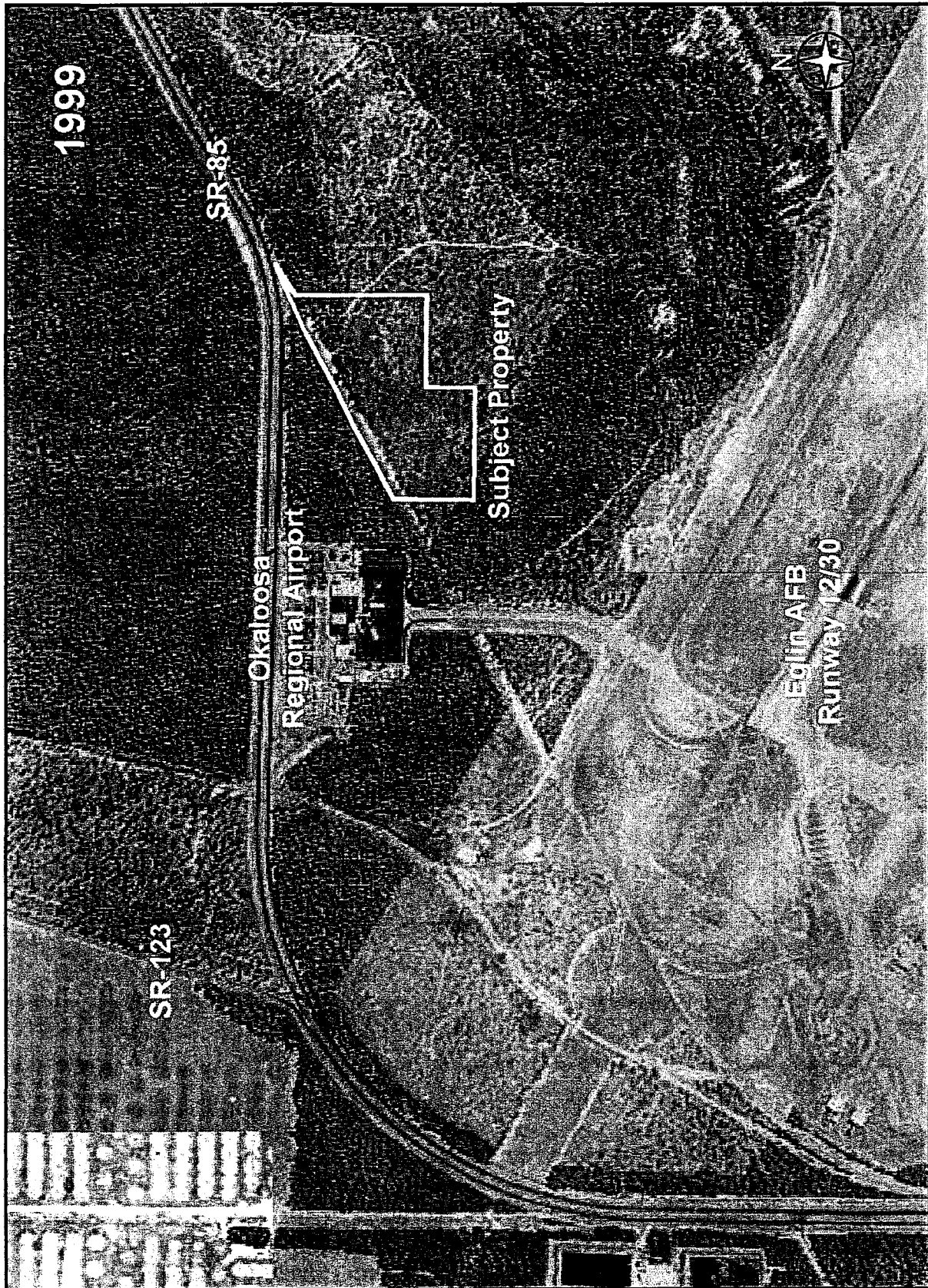


Figure C-2. Aerial Photograph of Subject Property and Surrounding Areas (Year 1999)

Source: U.S. Air Force, 2005

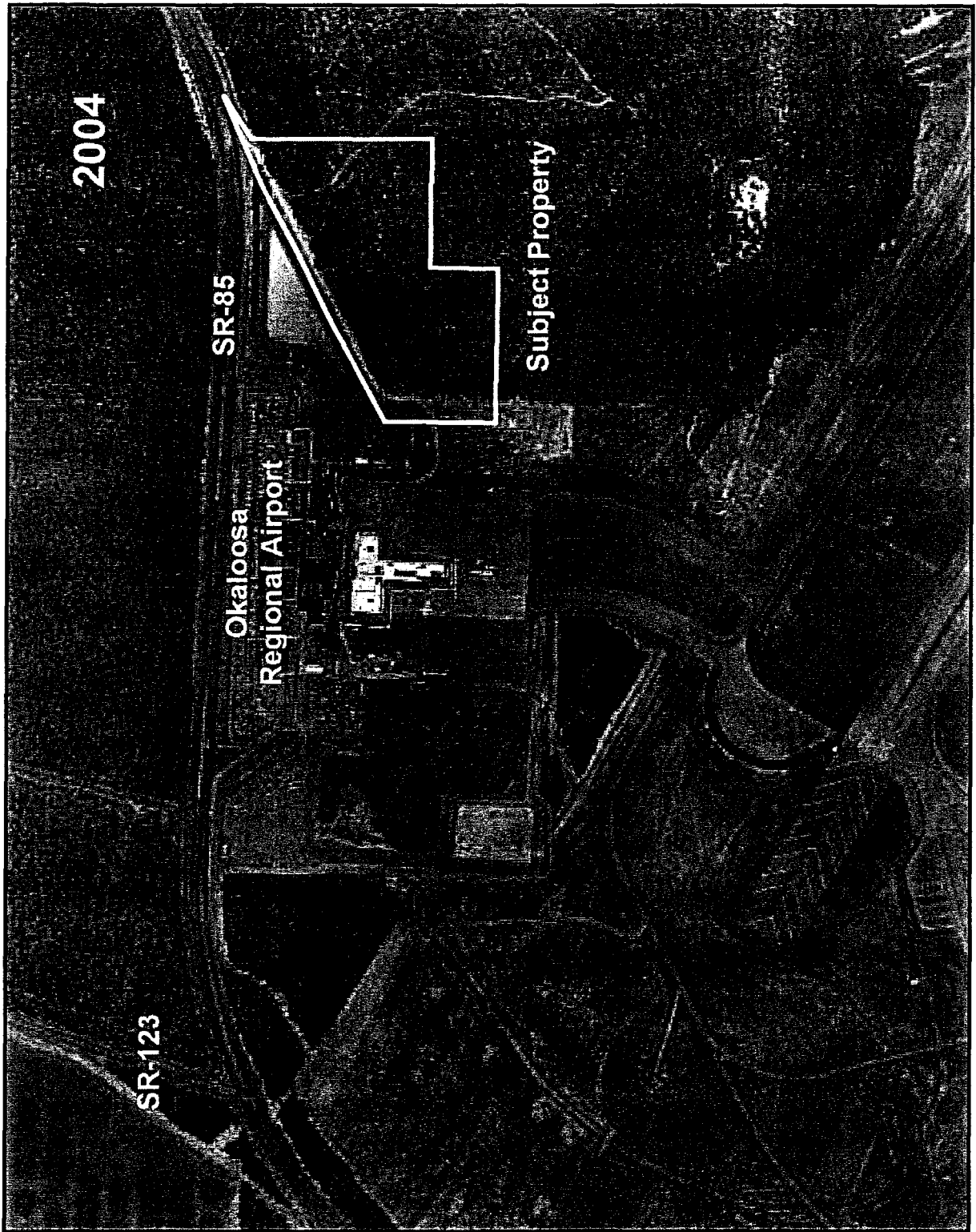


Figure C-3. Aerial Photograph of Subject Property and Surrounding Areas (Year 2004)

Source: U.S. Air Force, 2005

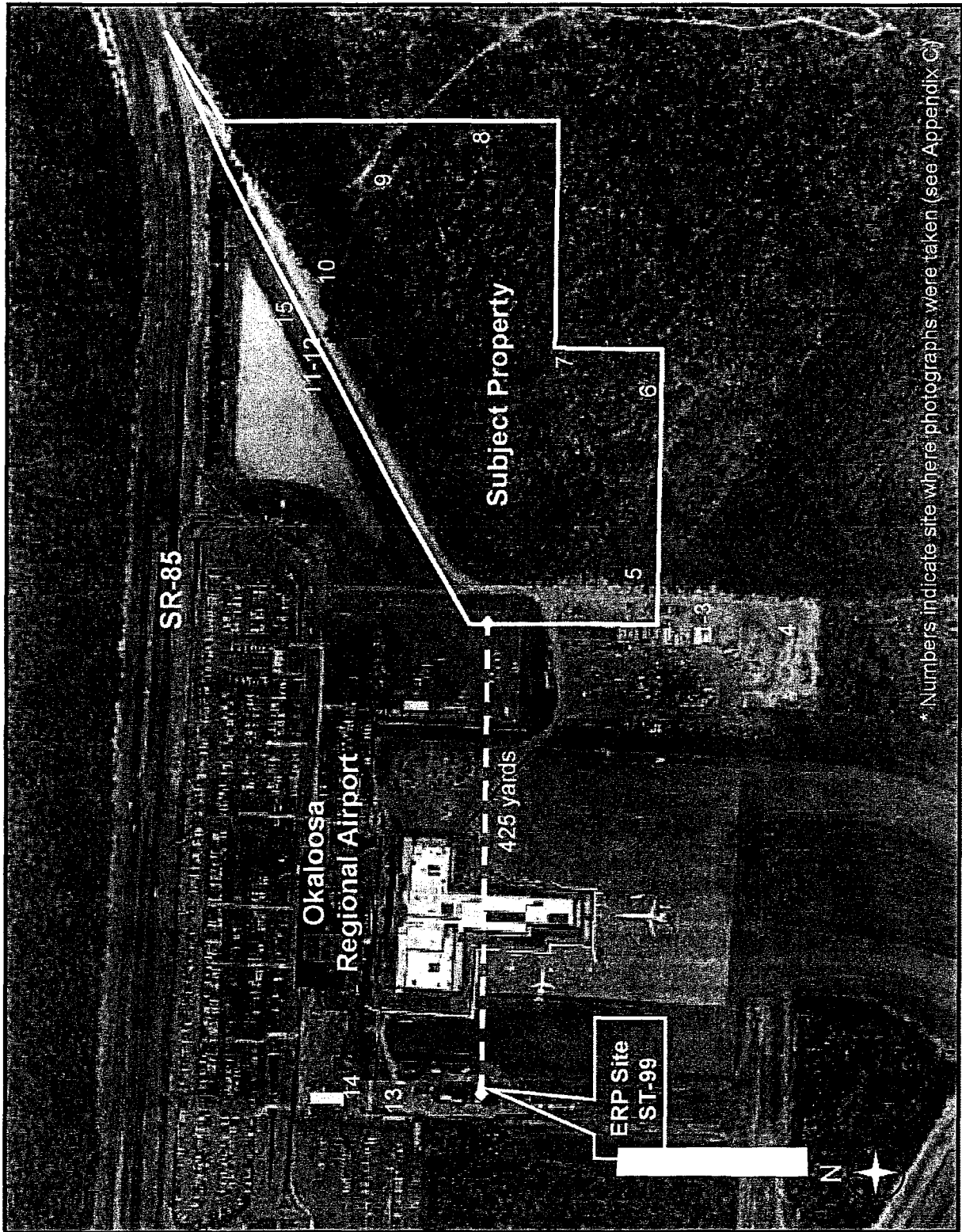


Figure C-4. ERP Site ST-99 and Location of Site Photographs

AERIAL PHOTOGRAPHS

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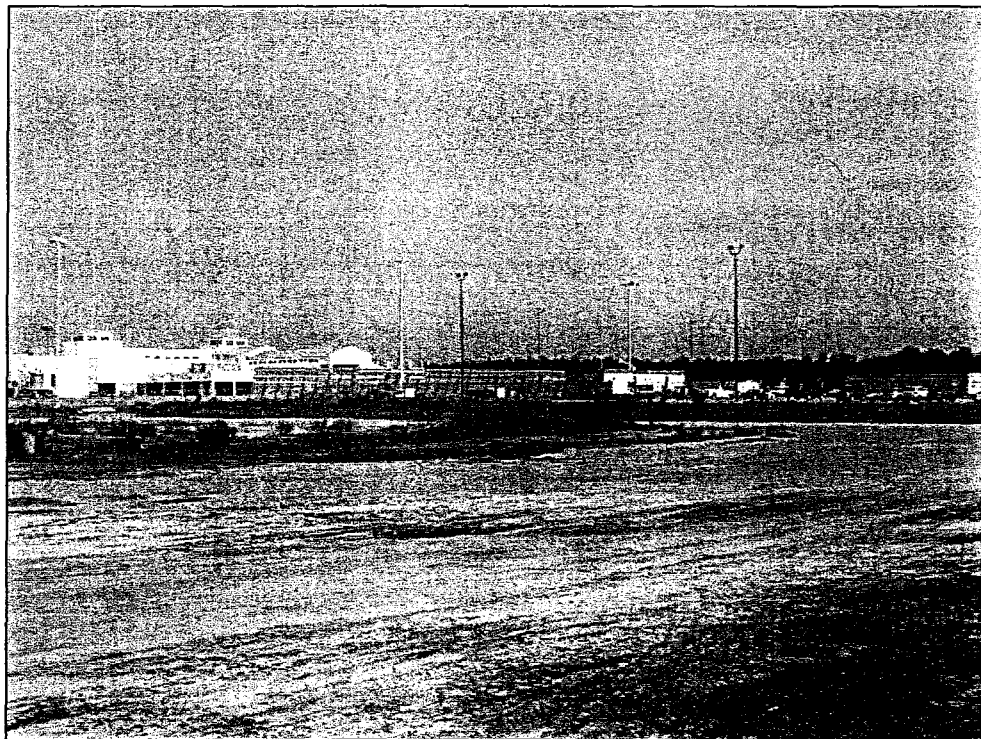
SITE PHOTOGRAPHS

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Photograph C-1

View north along unpaved road bordering western edge of subject property



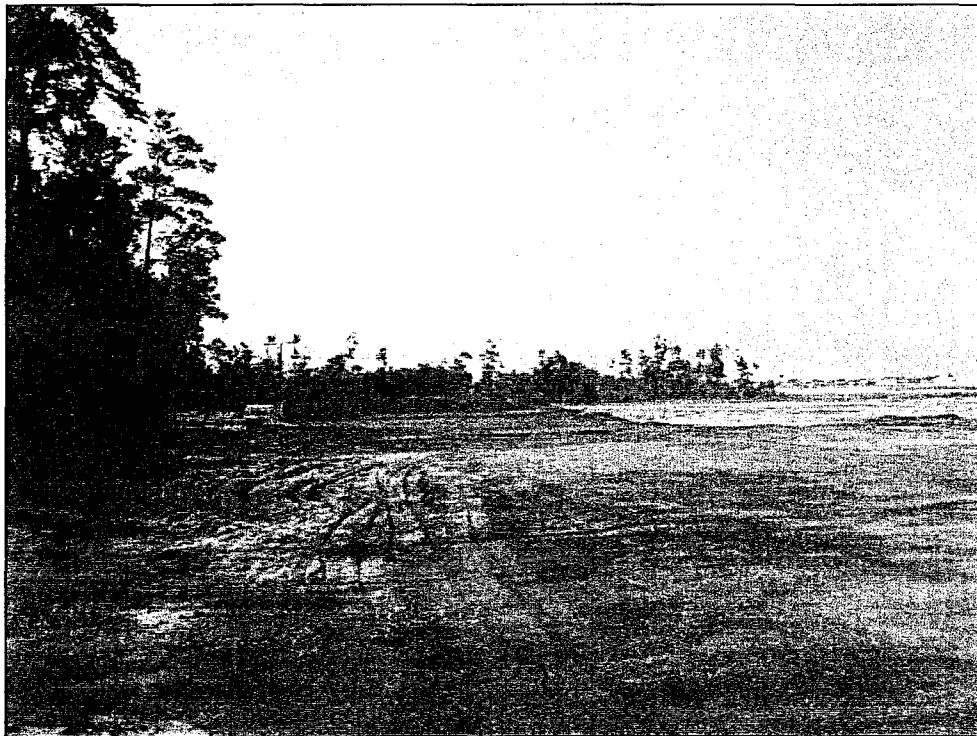
Photograph C-2

View northwest toward Okaloosa Regional Airport from western edge of subject property



Photograph C-3

View west toward Okaloosa Regional Airport from western edge of subject property



Photograph C-4

View south toward construction staging area from southwest corner of subject property



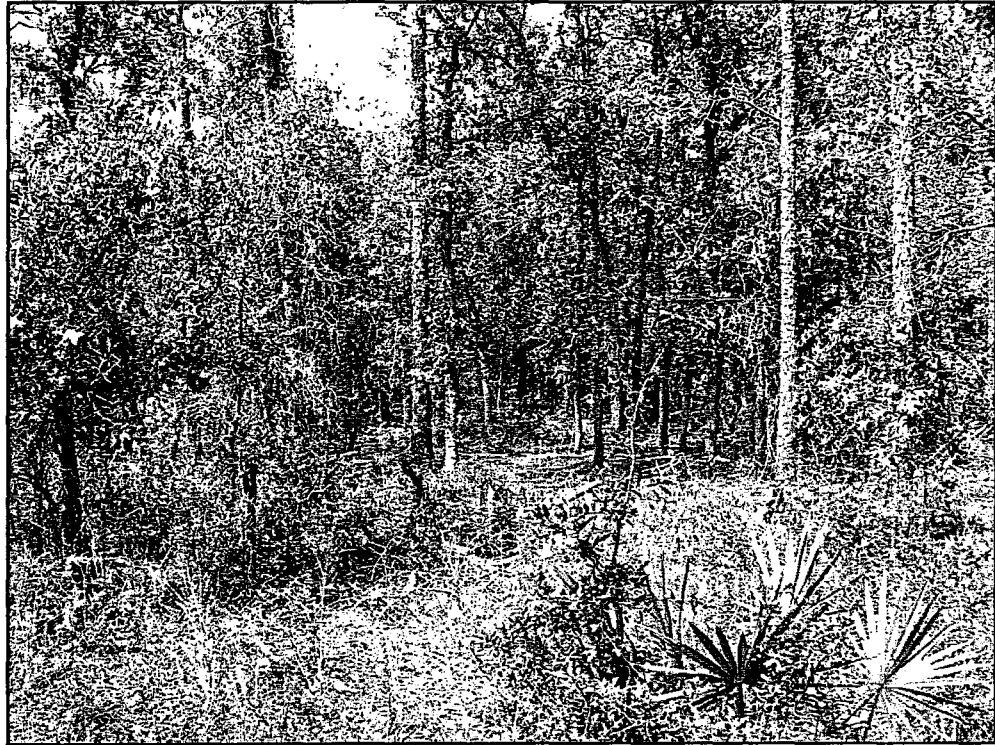
Photograph C-5
View northeast from southwest edge of subject property



Photograph C-6
View north from southern edge of subject property



Photograph C-7
View north from southern edge of subject property



Photograph C-8
View west from eastern edge of subject property



Photograph C-9
View south from northwest portion of subject property



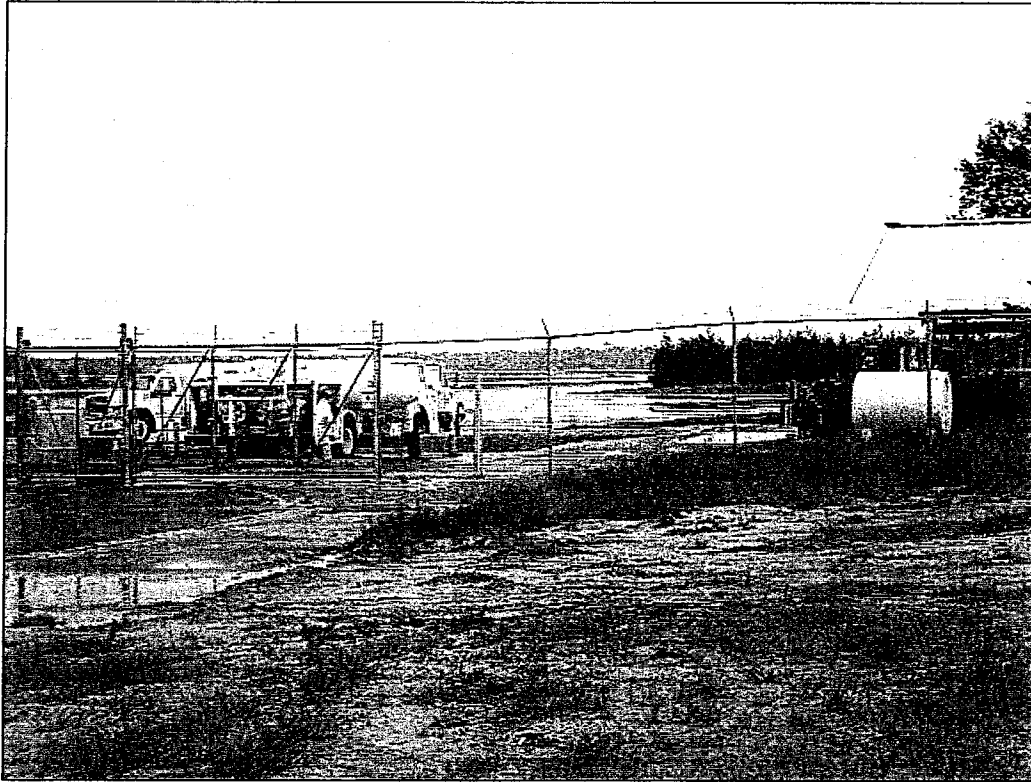
Photograph C-10
View south from northern edge of subject property



Photograph C-11
View southwest along unpaved road bordering the north of property

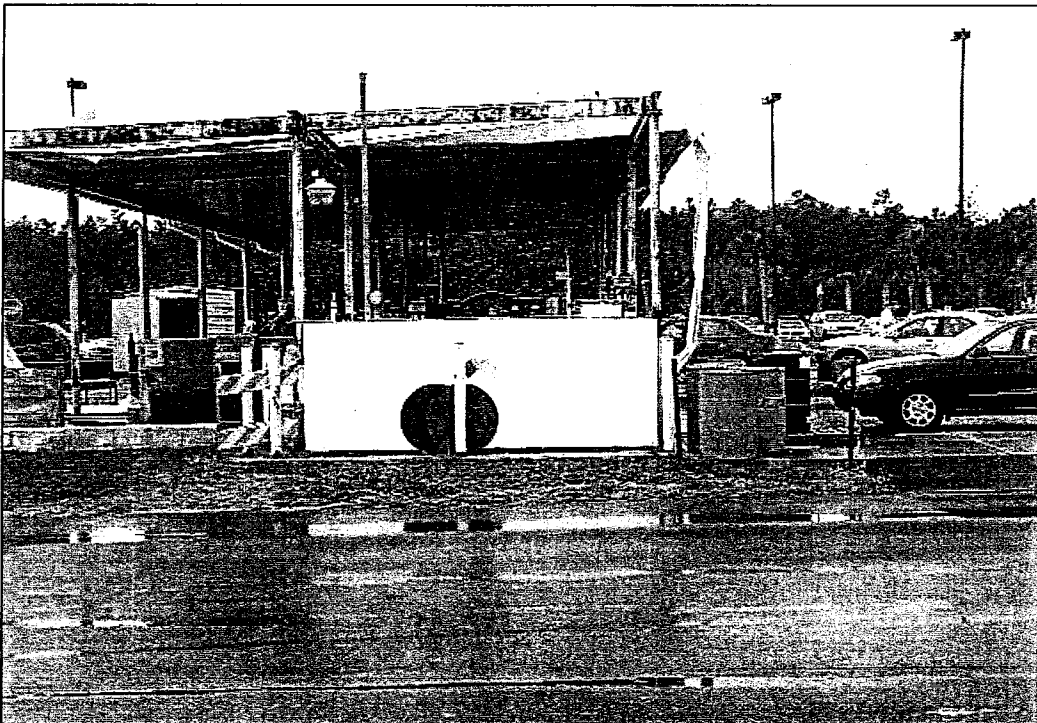


Photograph C-12
View northeast along unpaved road bordering the north of property



Photograph C-13

500-gallon AST and fuel tankers located on western side of airport



Photograph C-14

3,000-gallon AST located at rental car washing station

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APPENDIX D

REFERENCES

REFERENCES

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APPENDIX E

INTERVIEWS

INTERVIEWS

Table E-1 lists individuals interviewed during the site visit conducted on 15 August 2005, or in follow-up communications regarding various issues related to the subject property, including past and current uses of the property and surrounding property.

Table E-1. List of Interviews

Name	Title/Responsibility	Organization
Terry Curry	Airport Operations Manager	Okaloosa County Airports
Jon P. Morris	Airport Administrations Manager	Okaloosa County Airports
Elaine Powell	Airport Representative	Avis Car Rental
Bobbi Barkman	Environmental Compliance Attorney – National Car Rental	Paul, Hastings, Janofsky, and Walker, L.L.P, Washington, D.C.

APPENDIX F

ADDITIONAL INFORMATION

**ENVIRONMENTAL DATA RESOURCES, INC.
DATABASE SEARCH REPORT**



EDR Environmental
Data Resources Inc

**The EDR Radius Map
with GeoCheck®**

**Okaloosa Airport Expansion EBS
SR 85
Valparaiso, FL 32542**

Inquiry Number: 01491180.1r

August 18, 2005

**The Standard in
Environmental Risk
Management Information**

440 Wheelers Farms Road
Milford, Connecticut 06460

Nationwide Customer Service

Telephone: 1-800-352-0050
Fax: 1-800-231-6802
Internet: www.edrnet.com

FORM-R04

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Thank you for your business.
Please contact EDR at 1-800-352-0050
with any questions or comments.

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TC01491180.1r Page 1

EXECUTIVE SUMMARY

A search of available environmental records was conducted by Environmental Data Resources, Inc. (EDR). The report meets the government records search requirements of ASTM Standard Practice for Environmental Site Assessments, E 1527-00. Search distances are per ASTM standard or custom distances requested by the user.

TARGET PROPERTY INFORMATION

ADDRESS

SR 85
VALPARAISO, FL 32542

COORDINATES

Latitude (North): 30.495400 - 30° 29' 43.4"
Longitude (West): 86.545200 - 86° 32' 42.7"
Universal Transverse Mercator: Zone 16
UTM X (Meters): 543646.0
UTM Y (Meters): 3373587.8
Elevation: 85 ft. above sea level

USGS TOPOGRAPHIC MAP ASSOCIATED WITH TARGET PROPERTY

Target Property: 30086-D5 FORT WALTON BEACH, FL
Source: USGS 7.5 min quad index

TARGET PROPERTY SEARCH RESULTS

The target property was not listed in any of the databases searched by EDR.

DATABASES WITH NO MAPPED SITES

No mapped sites were found in EDR's search of available ("reasonably ascertainable ") government records either on the target property or within the ASTM E 1527-00 search radius around the target property for the following databases:

FEDERAL ASTM STANDARD

NPL..... National Priority List
Proposed NPL..... Proposed National Priority List Sites
CERCLIS..... Comprehensive Environmental Response, Compensation, and Liability Information System
CERC-NFRAP..... CERCLIS No Further Remedial Action Planned
CORRACTS..... Corrective Action Report
RCRA-TSDF..... Resource Conservation and Recovery Act Information
RCRA-LQG..... Resource Conservation and Recovery Act Information
RCRA-SQG..... Resource Conservation and Recovery Act Information
ERNS..... Emergency Response Notification System

STATE ASTM STANDARD

SHWS..... Florida's State-Funded Action Sites

TC01491180.1f EXECUTIVE SUMMARY 1

EXECUTIVE SUMMARY

SWF/LF..... Solid Waste Facility Database
 UST..... ST102 - Facility/Owner/Tank Report
 INDIAN UST..... Underground Storage Tanks on Indian Land
 VCP..... Voluntary Cleanup Sites
 INDIAN LUST..... Leaking Underground Storage Tanks on Indian Land

FEDERAL ASTM SUPPLEMENTAL

CONSENT..... Superfund (CERCLA) Consent Decrees
 ROD..... Records Of Decision
 Delisted NPL..... National Priority List Deletions
 FINDS..... Facility Index System/Facility Registry System
 HMIRS..... Hazardous Materials Information Reporting System
 MLTS..... Material Licensing Tracking System
 MINES..... Mines Master Index File
 NPL Liens..... Federal Superfund Liens
 PADS..... PCB Activity Database System
 INDIAN RESERV..... Indian Reservations
 UMTRA..... Uranium Mill Tailings Sites
 US ENG CONTROLS..... Engineering Controls Sites List
 ODL..... Open Dump Inventory
 FUDS..... Formerly Used Defense Sites
 RAATS..... RCRA Administrative Action Tracking System
 TRIS..... Toxic Chemical Release Inventory System
 TSCA..... Toxic Substances Control Act
 SSTS..... Section 7 Tracking Systems
 FTTS INSP..... FIFRA/TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)

STATE OR LOCAL ASTM SUPPLEMENTAL

AST..... ST102 - Facility/Owner/Tank Report
 FI Sites..... Sites List
 FL Cattle Dip. Vats..... Cattle Dipping Vats
 SPILLS..... Oil and Hazardous Materials Incidents
 PRIORITYCLEANERS..... Priority Ranking List
 ENG CONTROLS..... Institutional Controls Registry
 DEDB..... Ethylene Dibromide Database Results
 DRY CLEANERS..... Drycleaning Facilities
 WASTEWATER..... Wastewater Facility Regulation Database

EDR PROPRIETARY HISTORICAL DATABASES

Coal Gas..... Former Manufactured Gas (Coal Gas) Sites

BROWNFIELDS DATABASES

US BROWNFIELDS..... A Listing of Brownfields Sites
 US INST CONTROL..... Sites with Institutional Controls
 Inst Control..... Institutional Controls Registry
 Brownfields..... Brownfield Areas
 VCP..... Voluntary Cleanup Sites

SURROUNDING SITES: SEARCH RESULTS

Surrounding sites were identified.

TC01491180.1f EXECUTIVE SUMMARY 2

EXECUTIVE SUMMARY

Elevations have been determined from the USGS Digital Elevation Model and should be evaluated on a relative (not an absolute) basis. Relative elevation information between sites of close proximity should be field verified. Sites with an elevation equal to or higher than the target property have been differentiated below from sites with an elevation lower than the target property. Page numbers and map identification numbers refer to the EDR Radius Map report where detailed data on individual sites can be reviewed.

Sites listed in *bold italics* are in multiple databases.

Unmappable (orphan) sites are not considered in the foregoing analysis.

STATE ASTM STANDARD

LUST: The Leaking Underground Storage Tank Incident Reports contain an inventory of reported leaking underground storage tank incidents. The data come from the Department of Environmental Protection's PCTO1-Petroleum Contamination Detail Report.

A review of the LUST list, as provided by EDR, and dated 05/04/2005 has revealed that there is 1 LUST site within approximately 0.5 miles of the target property.

<u>Equal/Higher Elevation</u>	<u>Address</u>	<u>Dist / Dir</u>	<u>Map ID</u>	<u>Page</u>
<i>NATIONAL CAR RENTAL SYSTEM, INC</i>	<i>SR HWY 85 OKABOSA AIRPO</i>	<i>1/4 - 1/2 WNW 1</i>		<i>6</i>

FEDERAL ASTM SUPPLEMENTAL

Federal Lands: Consists of federally owned or administered lands, administered by the Department of Defense, that have any area equal to or greater than 640 acres of the United States, Puerto Rico, and the U.S. Virgin Islands.

A review of the DOD list, as provided by EDR, and dated 10/01/2003 has revealed that there is 1 DOD site within approximately 1 mile of the target property.

<u>Equal/Higher Elevation</u>	<u>Address</u>	<u>Dist / Dir</u>	<u>Map ID</u>	<u>Page</u>
EGLIN AIR FORCE BASE		0 - 1/8	0	6

TC01491180.1r EXECUTIVE SUMMARY 3

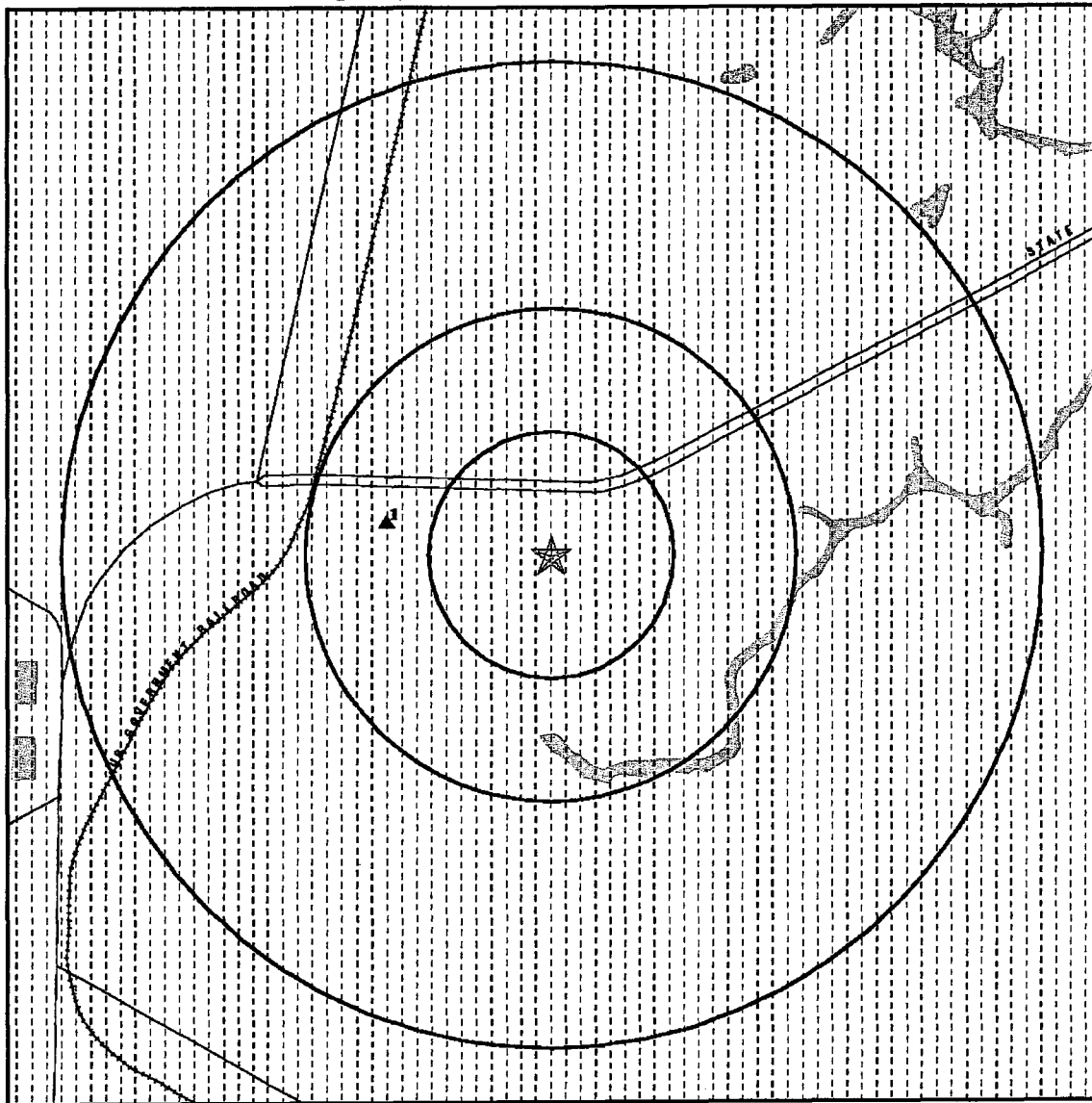
EXECUTIVE SUMMARY

Due to poor or inadequate address information, the following sites were not mapped:

<u>Site Name</u>	<u>Database(s)</u>
OKALOOSA REGIONAL AIRPORT	LUST
HERTZ RENT A CAR NAL	UST
TRANSPORTATION SECURITY ADMIN AT OKALOOS	RCRA-SQG
OKALOOSA COUNTY AIR TERMINAL	FINDS

TC01491180.1f EXECUTIVE SUMMARY 4

OVERVIEW MAP - 01491180.1r - SAIC

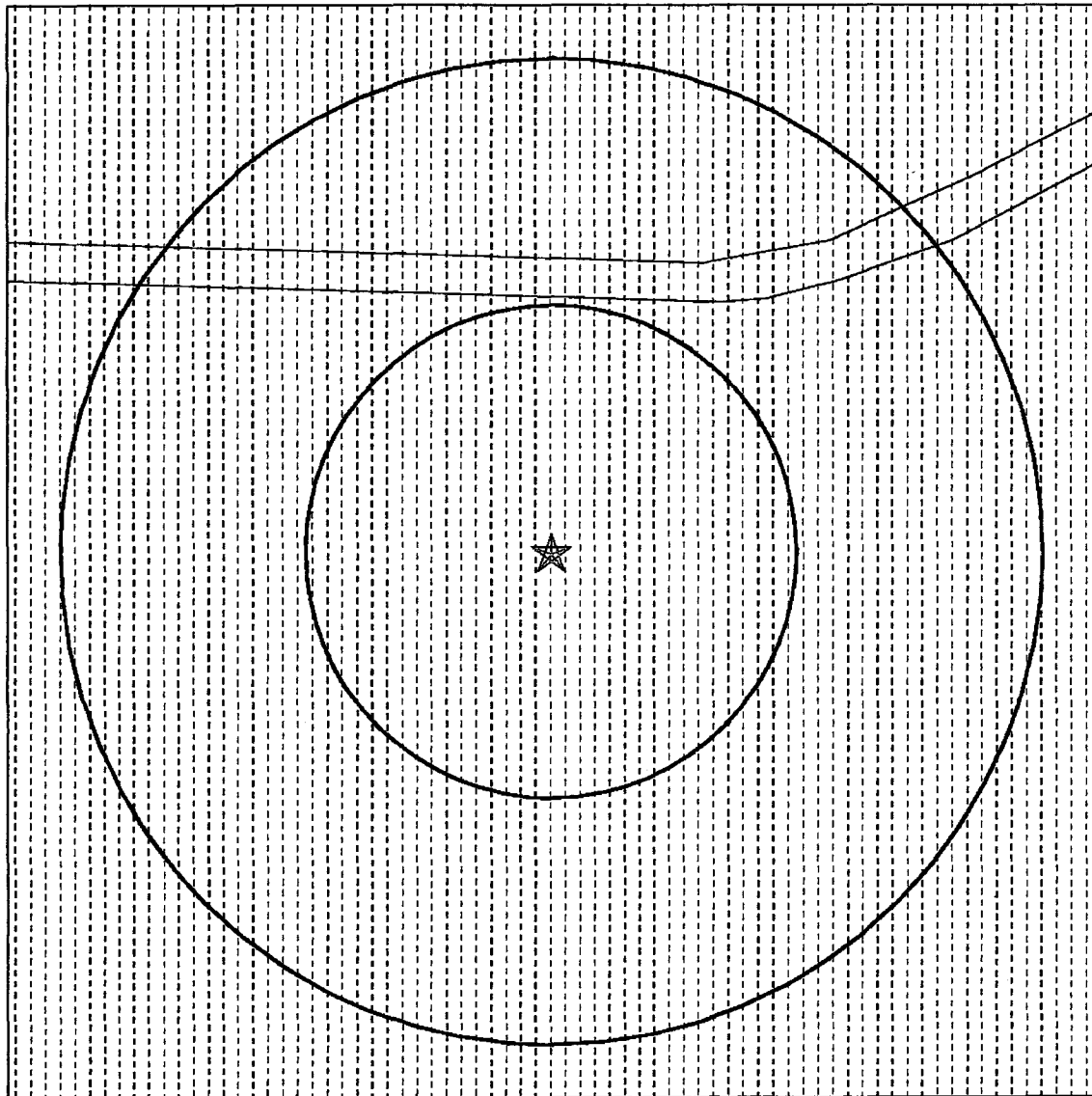


- ★ Target Property
- ▲ Sites at elevations higher than or equal to the target property
- ◆ Sites at elevations lower than the target property
- ▲ Coal Gasification Sites
- ▨ National Priority List Sites
- ▩ Landfill Sites
- ▧ Dept. Defense Sites
- ▨ Indian Reservations BIA
- ↗ Oil & Gas pipelines
- ▨ 100-year flood zone
- ▨ 500-year flood zone
- ▨ Federal Wetlands
- ▨ State Wetlands
- ▨ FL Brownfield

TARGET PROPERTY: Okaloosa Airport Expansion EBS ADDRESS: SR 85 CITY/STATE/ZIP: Valparaiso FL 32542 LAT/LONG: 30.4954 / 86.5452	CUSTOMER: SAIC CONTACT: Trina Smith INQUIRY #: 01491180.1r DATE: August 18, 2005 2:52 pm
---	---

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DETAIL MAP - 01491180.1r - SAIC



- ★ Target Property
- ▲ Sites at elevations higher than or equal to the target property
- ◆ Sites at elevations lower than the target property
- ▲ Coal Gasification Sites
- ⊕ Sensitive Receptors
- National Priority List Sites
- Landfill Sites
- Dept. Defense Sites
- Indian Reservations BIA
- ▲ Oil & Gas pipelines
- ▨ 100-year flood zone
- ▨ 500-year flood zone
- FL Brownfield

TARGET PROPERTY: Okaloosa Airport Expansion EBS ADDRESS: SR 85 CITY/STATE/ZIP: Valparaiso FL 32542 LAT/LONG: 30.4954 / 86.5452	CUSTOMER: SAIC CONTACT: Trina Smith INQUIRY #: 01491180.1r DATE: August 18, 2005 2:52 pm	
---	---	--

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MAP FINDINGS SUMMARY

Database	Target Property	Search Distance (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
<u>FEDERAL ASTM STANDARD</u>								
NPL		1.000	0	0	0	0	NR	0
Proposed NPL		1.000	0	0	0	0	NR	0
CERCLIS		0.500	0	0	0	NR	NR	0
CERC-NFRAP		0.250	0	0	NR	NR	NR	0
CORRACTS		1.000	0	0	0	0	NR	0
RCRA TSD		0.500	0	0	0	NR	NR	0
RCRA Lg. Quan. Gen.		0.250	0	0	NR	NR	NR	0
RCRA Sm. Quan. Gen.		0.250	0	0	NR	NR	NR	0
ERNS		TP	NR	NR	NR	NR	NR	0
<u>STATE ASTM STANDARD</u>								
State Haz. Waste		1.000	0	0	0	0	NR	0
State Landfill		0.500	0	0	0	NR	NR	0
LUST		0.500	0	0	1	NR	NR	1
UST		0.250	0	0	NR	NR	NR	0
INDIAN UST		0.250	0	0	NR	NR	NR	0
VCP		0.500	0	0	0	NR	NR	0
INDIAN LUST		0.500	0	0	0	NR	NR	0
<u>FEDERAL ASTM SUPPLEMENTAL</u>								
CONSENT		1.000	0	0	0	0	NR	0
ROD		1.000	0	0	0	0	NR	0
Delisted NPL		1.000	0	0	0	0	NR	0
FINDS		TP	NR	NR	NR	NR	NR	0
HMIRS		TP	NR	NR	NR	NR	NR	0
MLTS		TP	NR	NR	NR	NR	NR	0
MINES		0.250	0	0	NR	NR	NR	0
NPL Liens		TP	NR	NR	NR	NR	NR	0
PADS		TP	NR	NR	NR	NR	NR	0
INDIAN RESERV		1.000	0	0	0	0	NR	0
UMTRA		0.500	0	0	0	NR	NR	0
US ENG CONTROLS		0.500	0	0	0	NR	NR	0
ODI		0.500	0	0	0	NR	NR	0
FUDS		1.000	0	0	0	0	NR	0
DOD		1.000	1	0	0	0	NR	1
RAATS		TP	NR	NR	NR	NR	NR	0
TRIS		TP	NR	NR	NR	NR	NR	0
TSCA		TP	NR	NR	NR	NR	NR	0
SSTS		TP	NR	NR	NR	NR	NR	0
FTTS		TP	NR	NR	NR	NR	NR	0
<u>STATE OR LOCAL ASTM SUPPLEMENTAL</u>								
AST		TP	NR	NR	NR	NR	NR	0

MAP FINDINGS SUMMARY

Database	Target Property	Search Distance (Miles)	< 1/8	1/8 - 1/4	1/4 - 1/2	1/2 - 1	> 1	Total Plotted
FL Sites		1.000	0	0	0	0	NR	0
FL Cattle Dip. Vats		0.500	0	0	0	NR	NR	0
SPILLS		TP	NR	NR	NR	NR	NR	0
PRIORITYCLEANERS		0.500	0	0	0	NR	NR	0
ENG CONTROLS		0.500	0	0	0	NR	NR	0
DEDB		0.500	0	0	0	NR	NR	0
Dry Cleaners		0.250	0	0	NR	NR	NR	0
Wastewater		TP	NR	NR	NR	NR	NR	0
<u>EDR PROPRIETARY HISTORICAL DATABASES</u>								
Coal Gas		1.000	0	0	0	0	NR	0
<u>BROWNFIELDS DATABASES</u>								
US BROWNFIELDS		0.500	0	0	0	NR	NR	0
US INST CONTROL		0.500	0	0	0	NR	NR	0
Inst Control		0.500	0	0	0	NR	NR	0
Brownfields		0.500	0	0	0	NR	NR	0
VCP		0.500	0	0	0	NR	NR	0

NOTES:

AQUIFLOW - see EDR Physical Setting Source Addendum

TP = Target Property

NR = Not Requested at this Search Distance

Sites may be listed in more than one database

Map ID	Direction	Distance	Distance (ft.)	Elevation	Site	Database(s)	EDR ID Number	EPA ID Number
MAP FINDINGS								

Coal Gas Site Search: No site was found in a search of Real Property Scan's ENVIROHAZ database.

DOD Region < 1/8 1 ft.	EGLIN AIR FORCE BASE OKALOOSA (County), FL FEDERAL LANDS: Feature 1: Air Force DOD Feature 2: Not reported Feature 3: Not reported Agency: DOD URL: Not reported Name 1: Eglin Air Force Base Name 2: Not reported Name 3: Not reported State: FL	DOD CUSA047173 N/A
-------------------------------------	--	--------------------------

1 WNW 1/4-1/2 1807 ft.	NATIONAL CAR RENTAL SYSTEM, INC. SR HWY 85 OKLABOSA AIRPORT EGLIN AFB, FL 32542	LUST U003656534 UST N/A
---------------------------------	---	----------------------------

Relative: Higher Actual: 88 ft.	LUST: Facility ID: 8624454 Region: STATE Facility District: Northwest District Section: 030 Township: 29N Range: 31W Lat/long: 30° 29' 42.540000" / 86° 33' 3.071000" Facility Status: OPEN Facility Type: C - Fuel user/Non-retail - Operator: LOIS HARBESON Facility Phone: (850) 651-1158 Related Party: VANGUARD CAR RENTAL USA INC Related Party Addr: 875 15TH STREET NW C/O PAUL HASTINGS WASHINGTON, DC 20005 RP Bad Address: No Related Party ID: 58129 Related Party Role: ACCOUNT OWNER Related Prty Contact: PAUL HASTINGS Related Party Phone: (202) 551-1940 RP Phone Ext: Not reported Related Party Begin: 04-14-2004 Name Update: Not reported Address Update: 02-11-2000 Facility Cleanup Score: 6 Facility Cleanup Rank: 0 Score Effective Date: 01-08-1998 Score When Ranked: 0 Feature: Not reported Method: DGPS Datum: 0 Discharge Date: 02-08-1993 Pct Discharge Combined With: Not reported Information Source: 1 - FLIRP (INSURANCE) Other Source Description: Not reported Score Effective Date: 01-08-1998 Score: 6 Cleanup Required: R - CLEANUP REQUIRED Discharge Cleanup Status: NFA - NFA COMPLETE Disch Cleanup Status D1: 01-19-1995
--	---

Map ID	Direction	Distance	Distance (ft.)	Elevation	Site	Database(s)	EDR ID Number	EPA ID Number
MAP FINDINGS								

NATIONAL CAR RENTAL SYSTEM, INC. (Continued)

U003656534

Cleanup Work Status : COMPLETED
 Eligibility Indicator : E
 Site Manager : Not reported
 Site Mgr End Date : Not reported
 Tank Office : -
 Rank : 0
 Facility Status : OPEN
 Facility Type : C - Fuel user/Non-retail - Fuel user/Non-retail
 Discharge Date : 02-08-1993
 Discharge Combined With : Not reported
 Cleanup Required : R - CLEANUP REQUIRED
 Discharge Cleanup Status : NFA - NFA COMPLETE
 Disch Cleanup Status Dt : 01-19-1995
 Cleanup Work Status : COMPLETED
 Eligibility Indicator : E
 Site Manager : Not reported
 Site Mgr End Date : Not reported
 Tank Office : -
 RAP Task ID : 0
 RAP Cleanup Responsible ID : -
 RAP Funding Elig Type : -
 RAP Last Order Approved: Not reported
 RAP Actual Completion Date: Not reported
 RAP Payment Date: Not reported
 RAP Actual Cost: Not reported
 RA Task ID: 5914
 RA Actual Cost: Not reported
 RA Cleanup Responsible: RP - RESPONSIBLE PARTY
 RA Funding Elig Type: -
 Ra Years to Complete: Not reported
 SRC Completion Status: A - APPROVED
 SRC Completion Status Dt: 01-19-1995
 SRC Action Type: NFA - NO FURTHER ACTION
 SRC Submit Date: 10-03-1994
 SRC Review Date: 01-12-1995
 SRC Issue Date: 01-19-1995
 SRC Comment: Not reported
 SA ID: 5913
 SA Cleanup Responsible: RP - RESPONSIBLE PARTY
 SA Actual Completion Date: 01-12-1995
 SA Payment Date: Not reported
 SA Funding Elig Type: -
 SA Actual Cost: Not reported
 SR Task ID: 71099
 SR Cleanup Responsible: -
 SR Oral Date: Not reported
 SR Written Date: Not reported
 Free Product Removal: Not reported
 Soil Removal: Yes
 Soil Tonnage Removed: 78
 Soil Treatment: Not reported
 Other Treatment: Not reported
 SR Actual Completion Date: 02-08-1993
 SR Funding Elig Type: -
 SR Payment Date: Not reported
 SR Actual Cost: Not reported
 SR Alternate Procedure Comments: Not reported

Map ID	Direction	Distance	Distance (ft.)	Elevation	Site	Database(s)	EDR ID Number	EPA ID Number
MAP FINDINGS								

NATIONAL CAR RENTAL SYSTEM, INC. (Continued)

U003656534

SR Alternate Procedure Status: Not reported
 SR Alternate Procedure Status Date: Not reported
 SR Alternate Procedure Received: Not reported
 Score: Not reported
 Score Ranked: Not reported
 Score Effective: Not reported
 Rank: Not reported
 Facility Status: Not reported
 Facility Type: Not reported
 Facility Phone: Not reported
 Operator: Not reported
 Name Update: Not reported
 Address Update: Not reported
 Primary Responsible Party Id: Not reported
 Primary Responsible Party Role: Not reported
 Responsible Party Begin Date: Not reported
 Responsible Party Name: Not reported
 District: Not reported
 Sec Facility Address: Not reported
 Lat / Long: Not reported
 Feature: Not reported
 Method: Not reported
 Datum: Not reported
 Section: Not reported
 Township: Not reported
 Range: Not reported
 Responsible Party Address: Not reported
 Responsible Party Phone: Not reported
 Responsible Party Extension: Not reported
 Contact: Not reported
 Responsible Party Bad Address: Not reported
 District: NWD
 Facility Id: 8824454
 Discharge Date: 02-08-1993
 Disc Combined With: Not reported
 Cleanup Required: R - CLEANUP REQUIRED
 Disch Cleanup Status: NFA - NFA COMPLETE
 Disch Cleanup Status Dt: 01-19-1995
 Cleanup Work Status: COMPLETED
 Information Source: I - PLIRP (INSURANCE)
 Other Source: Not reported
 Elig Indicator: E - ELIGIBLE
 Site Manager: Not reported
 Site Manager End Date: Not reported
 Tank Office: -
 Score: 6
 Score Effective Date: 01-08-1998
 Rank: 0
 Contaminated Drinking Wells: 0
 Contaminated Monitoring Wells: N
 Contaminated Soil: Y
 Contaminated Surface Water: N
 Contaminated Ground Water: N
 Pollutant: A - LEADED GAS
 Other Description: Not reported
 Gallons Discharged: Not reported

TC01491180.1r Page 8

Map ID	Direction	Distance	Distance (ft.)	Elevation	Site	Database(s)	EDR ID Number	EPA ID Number
--------	-----------	----------	----------------	-----------	------	-------------	---------------	---------------

MAP FINDINGS

NATIONAL CAR RENTAL SYSTEM, INC. (Continued) U003656534

District : NWD
 County Code : 48
 Facility Id : 8824454
 Discharge Date : 02-08-1993
 Discharge Combined With : Not reported
 Cleanup Required : R - CLEANUP REQUIRED
 Discharge Cleanup Status : NFA - NFA COMPLETE
 Disc Cleanup Status Date : 01-19-1995
 Cleanup Work Status : COMPLETED
 Information Source : I - PLIRP (INSURANCE)
 Other Source : Not reported
 Application Received Dt : 02-08-1993
 Cleanup Program : P - PETROLEUM LIABILITY AND RESTORATION INSURANCE PROGRAM
 Eligibility Status : E - ELIGIBLE
 Elig Status Date : 03-31-1993
 Letter Of Intent Dt : 03-11-1993
 Elig Letter Sent : 03-31-1993
 Redetermined : N
 Inspection Date : 02-10-1993
 Site Manager : Not reported
 Site Manager End Date : Not reported
 Tank Office : -
 Score : 6
 Score Effective Date : 01-08-1998
 Rank : Not reported
 Deductible Amount : \$500.00
 Deductible Paid To Date : \$1,000.00
 Co-pay Amount : \$0.00
 Co-pay Paid To Date : \$0.00
 Cap Amount : \$1,000,000.00
 Cap To Date : 5153.02

UST:

Facility ID:	8824454	Facility Type:	Fuel User / Non-retail
Facility Phone:	(850) 651-1158	Facility Status:	OPEN
Owner Id:	58129		
Owner Name:	VANGUARD CAR RENTAL USA INC		
Owner Address:	875 15TH STREET NW C/O PAUL HASTINGS WASHINGTON, DC 20006		
Owner Contact:	PAUL HASTINGS		
Owner Phone:	(202) 551-1940		
Tank Content Desc:	Fuel user/Non-retail		
Type Description:	Fuel user/Non-retail		
Tank Id:	2	Vessel Indicator:	TANK
Tank Location:	UNDERGROUND		
Substance:			
Description:	Unleaded gas		
Gallons:	4000		
Category:	Vehicular Fuels		
Regulation Began:	1988-07-01		
Tank Status:	In service	Tank Status Date:	Not reported
Install Date:	01-FEB-1993		
Tank Construction:			
Tank Id:	2		
Construction Desc:	Fiberglass		
Category:	Primary Construction		
Description:	Fiberglass		

Map ID	Direction	Distance	Distance (ft.)	Elevation	Site	Database(s)	EPA ID Number	EDR ID Number
--------	-----------	----------	----------------	-----------	------	-------------	---------------	---------------

MAP FINDINGS

NATIONAL CAR RENTAL SYSTEM, INC. (Continued)

U003656534

Tank Id: 2
 Construction Desc: Double wall
 Category: Secondary Containment
 Description: Dbl wall; single mat; out tnk amt = in tnk mat

Tank Id: 2
 Construction Desc: Spill containment bucket
 Category: Overfill/Spill
 Description: Spill containment bucket

Tank Id: 2
 Construction Desc: Tight fill
 Category: Overfill/Spill
 Description: Tight fill

Tank Id: 2
 Construction Desc: Ball check valve
 Category: Overfill/Spill
 Description: Ball Check Valve

Tank Id: 2
 Construction Desc: Flow shut-off
 Category: Overfill/Spill
 Description: Flow shut off

Tank Id: 2
 Construction Desc: Level gauges/alarms
 Category: Overfill/Spill
 Description: Level gauges/hi level alarms

Petro Monitoring:
 Monitoring Desc: Monitor dbl wall tank space
 Category: Tank Monitoring
 Description: Interstitial space - Double wall tank

Monitoring Desc: Monitor dbl wall pipe space
 Category: Piping Monitoring
 Description: Interstitial space - Double Walled piping

Monitoring Desc: Automatic tank gauging - USTs
 Category: Tank Monitoring
 Description: Auto tank gauging system

Monitoring Desc: Unknown
 Category: Site/General
 Description: Unknown

Monitoring Desc: Visual inspect dispenser liners
 Category: Miscellaneous
 Description: Visual inspection of Dispenser Liners

Tank Piping:
 Piping Desc: Fiberglass
 Category: Primary Construction
 Description: Fiberglass

Piping Desc: Double wall
 Category: Secondary Containment

Map ID
 Direction
 Distance
 Distance (ft.)
 Elevation Site

MAP FINDINGS

Database(s) EDR ID Number
 EPA ID Number

NATIONAL CAR RENTAL SYSTEM, INC. (Continued)

U003656534

Description: Dbl wall;single mat;out pipe mat = in pip mat

Piping Desc: Suction piping system
 Category: Miscellaneous Attributes
 Description: Suction piping system

Piping Desc: Dispenser liners
 Category: Miscellaneous Attributes
 Description: Dispenser liners

Facility ID: 8824454
 Facility Phone: (850) 651-1158
 Owner Id: 58129
 Owner Name: VANGUARD CAR RENTAL USA INC
 Owner Address: 875 15TH STREET NW
 C/O PAUL HASTINGS
 WASHINGTON, DC 20005

Facility Type: Fuel User / Non-retail
 Facility Status: OPEN

Owner Contact: PAUL HASTINGS
 Owner Phone: (202) 551-1940

Tank Content Desc: Fuel User/Non-retail
 Type Description: Fuel User/Non-retail
 Tank Id: 1

Vessel Indicator: TANK

Tank Location: UNDERGROUND

Substance:
 Description: Unleaded gas
 Gallons: 8000
 Category: Vehicular Fuels

Regulation Began: 1986-07-01
 Tank Status: Removed
 Install Date: 01-JUL-1974

Tank Status Date: 28-FEB-1993

Tank Construction:
 Tank Id: Not reported
 Construction Desc: Not reported
 Category: Not reported
 Description: Not reported

Petro Monitoring:
 Monitoring Desc: Not reported
 Category: Not reported
 Description: Not reported

Tank Piping:
 Piping Desc: Not reported
 Category: Not reported
 Description: Not reported

ORPHAN SUMMARY

City	EDR ID	Site Name	Site Address	Zip	Database(s)
EGLIN AFB	S104138812	OKALOOSA REGIONAL AIRPORT	1701 HWY 85 N	32542	LUST
EGLIN AFB	U003658532	HERTZ RENT A CAR	SR 85-OKALOOSA REGIONAL AIRPORT	32542	UST
EGLIN AFB	1005583102	OKALOOSA COUNTY AIR TERMINAL	1701 SR 85N	32542	FINDS
EGLIN AIR FORCE BASE	1007370321	TRANSPORTATION SECURITY ADMIN AT OKALOOS	1701 HWY 85 N	32542	RCRA-SQG

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

To maintain currency of the following federal and state databases, EDR contacts the appropriate governmental agency on a monthly or quarterly basis, as required.

Elapsed ASTM days: Provides confirmation that this EDR report meets or exceeds the 90-day updating requirement of the ASTM standard.

FEDERAL ASTM STANDARD RECORDS

NPL: National Priority List

Source: EPA
Telephone: N/A

National Priorities List (Superfund). The NPL is a subset of CERCLIS and identifies over 1,200 sites for priority cleanup under the Superfund Program. NPL sites may encompass relatively large areas. As such, EDR provides polygon coverage for over 1,000 NPL site boundaries produced by EPA's Environmental Photographic Interpretation Center (EPIC) and regional EPA offices.

Date of Government Version: 04/28/05
Date Made Active at EDR: 05/18/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 05/04/05
Elapsed ASTM days: 12
Date of Last EDR Contact: 05/04/05

NPL Site Boundaries

Sources:

EPA's Environmental Photographic Interpretation Center (EPIC)
Telephone: 202-564-7333

EPA Region 1
Telephone 817-918-1143

EPA Region 6
Telephone: 214-655-8859

EPA Region 3
Telephone 215-814-5418

EPA Region 8
Telephone: 303-312-8774

EPA Region 4
Telephone 404-562-8033

Proposed NPL: Proposed National Priority List Sites

Source: EPA
Telephone: N/A

Date of Government Version: 04/27/05
Date Made Active at EDR: 05/18/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 05/04/05
Elapsed ASTM days: 12
Date of Last EDR Contact: 05/04/05

CERCLIS: Comprehensive Environmental Response, Compensation, and Liability Information System

Source: EPA
Telephone: 703-413-0223

CERCLIS contains data on potentially hazardous waste sites that have been reported to the USEPA by states, municipalities, private companies and private persons, pursuant to Section 103 of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). CERCLIS contains sites which are either proposed to or on the National Priorities List (NPL) and sites which are in the screening and assessment phase for possible inclusion on the NPL.

Date of Government Version: 08/27/05
Date Made Active at EDR: 08/17/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 07/22/05
Elapsed ASTM days: 28
Date of Last EDR Contact: 07/22/05

CERCLIS-NFRAP: CERCLIS No Further Remedial Action Planned

Source: EPA
Telephone: 703-413-0223

As of February 1995, CERCLIS sites designated "No Further Remedial Action Planned" (NFRAP) have been removed from CERCLIS. NFRAP sites may be sites where, following an initial investigation, no contamination was found, contamination was removed quickly without the need for the site to be placed on the NPL, or the contamination was not serious enough to require Federal Superfund action or NPL consideration. EPA has removed approximately 25,000 NFRAP sites to lift the unintended barriers to the redevelopment of these properties and has archived them as historical records so EPA does not needlessly repeat the investigations in the future. This policy change is part of the EPA's Brownfields Redevelopment Program to help cities, states, private investors and affected citizens to promote economic redevelopment of unproductive urban sites.

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 05/17/05
 Date Made Active at EDR: 08/17/05
 Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 06/20/05
 Elapsed ASTM days: 58
 Date of Last EDR Contact: 06/20/05

CORRACTS: Corrective Action Report

Source: EPA
 Telephone: 800-424-9348

CORRACTS identifies hazardous waste handlers with RCRA corrective action activity.

Date of Government Version: 08/28/05
 Date Made Active at EDR: 08/08/05
 Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 07/05/05
 Elapsed ASTM days: 34
 Date of Last EDR Contact: 06/05/05

RCRA: Resource Conservation and Recovery Act Information

Source: EPA
 Telephone: 800-424-9348

RCRAInfo is EPA's comprehensive information system, providing access to data supporting the Resource Conservation and Recovery Act (RCRA) of 1976 and the Hazardous and Solid Waste Amendments (HSWA) of 1984. RCRAInfo replaces the data recording and reporting abilities of the Resource Conservation and Recovery Information System (RCRIS). The database includes selective information on sites which generate, transport, store, treat and/or dispose of hazardous waste as defined by the Resource Conservation and Recovery Act (RCRA). Conditionally exempt small quantity generators (CESQGs) generate less than 100 kg of hazardous waste, or less than 1 kg of acutely hazardous waste per month. Small quantity generators (SQGs) generate between 100 kg and 1,000 kg of hazardous waste per month. Large quantity generators (LQGs) generate over 1,000 kilograms (kg) of hazardous waste, or over 1 kg of acutely hazardous waste per month. Transporters are individuals or entities that move hazardous waste from the generator off-site to a facility that can recycle, treat, store, or dispose of the waste. TSDFs treat, store, or dispose of the waste.

Date of Government Version: 05/20/05
 Date Made Active at EDR: 06/09/05
 Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 05/24/05
 Elapsed ASTM days: 18
 Date of Last EDR Contact: 05/24/05

ERNS: Emergency Response Notification System

Source: National Response Center, United States Coast Guard
 Telephone: 202-260-2342

Emergency Response Notification System. ERNS records and stores information on reported releases of oil and hazardous substances.

Date of Government Version: 12/31/04
 Date Made Active at EDR: 03/24/05
 Database Release Frequency: Annually

Date of Data Arrival at EDR: 01/27/05
 Elapsed ASTM days: 58
 Date of Last EDR Contact: 07/25/05

FEDERAL ASTM SUPPLEMENTAL RECORDS**BRS:** Biennial Reporting System

Source: EPANTIS
 Telephone: 800-424-9348

The Biennial Reporting System is a national system administered by the EPA that collects data on the generation and management of hazardous waste. BRS captures detailed data from two groups: Large Quantity Generators (LQG) and Treatment, Storage, and Disposal Facilities.

Date of Government Version: 12/31/03
 Database Release Frequency: Biennially

Date of Last EDR Contact: 08/17/05
 Date of Next Scheduled EDR Contact: 09/12/05

CONSENT: Superfund (CERCLA) Consent Decrees

Source: Department of Justice, Consent Decree Library
 Telephone: Varies

Major legal settlements that establish responsibility and standards for cleanup at NPL (Superfund) sites. Released periodically by United States District Courts after settlement by parties to litigation matters.

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 12/14/04
Database Release Frequency: Varies

Date of Last EDR Contact: 07/25/05
Date of Next Scheduled EDR Contact: 10/24/05

ROD: Records Of Decision
Source: EPA

Telephone: 703-416-0223

Record of Decision. ROD documents mandate a permanent remedy at an NPL (Superfund) site containing technical and health information to aid in the cleanup.

Date of Government Version: 06/08/05
Database Release Frequency: Annually

Date of Last EDR Contact: 07/06/05
Date of Next Scheduled EDR Contact: 10/03/05

DELISTED NPL: National Priority List Deletions

Source: EPA

Telephone: N/A

The National Oil and Hazardous Substances Pollution Contingency Plan (NCP) establishes the criteria that the EPA uses to delete sites from the NPL. In accordance with 40 CFR 300.425 (e), sites may be deleted from the NPL where no further response is appropriate.

Date of Government Version: 04/28/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 05/04/05
Date of Next Scheduled EDR Contact: 08/01/05

FINDS: Facility Index System/Facility Registry System

Source: EPA

Telephone: (404) 562-8174

Facility Index System. FINDS contains both facility information and pointers to other sources that contain more detail. EDR includes the following FINDS databases in this report: PCS (Permit Compliance System), AIRS (Aerometric Information Retrieval System), DOCKET (Enforcement Docket used to manage and track information on civil judicial enforcement cases for all environmental statutes), FURS (Federal Underground Injection Control), C-DOCKET (Criminal Docket System used to track criminal enforcement actions for all environmental statutes), FFIS (Federal Facilities Information System), STATE (State Environmental Laws and Statutes), and PADS (PCB Activity Data System).

Date of Government Version: 07/11/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 07/05/05
Date of Next Scheduled EDR Contact: 10/03/05

HMIRS: Hazardous Materials Information Reporting System

Source: U.S. Department of Transportation

Telephone: 202-366-4555

Hazardous Materials Incident Report System. HMIRS contains hazardous material spill incidents reported to DOT.

Date of Government Version: 12/31/04
Database Release Frequency: Annually

Date of Last EDR Contact: 07/22/05
Date of Next Scheduled EDR Contact: 10/17/05

MLTS: Material Licensing Tracking System

Source: Nuclear Regulatory Commission

Telephone: 301-415-7169

MLTS is maintained by the Nuclear Regulatory Commission and contains a list of approximately 8,100 sites which possess or use radioactive materials and which are subject to NRC licensing requirements. To maintain currency, EDR contacts the Agency on a quarterly basis.

Date of Government Version: 04/14/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 07/05/05
Date of Next Scheduled EDR Contact: 10/03/05

MINES: Mines Master Index File

Source: Department of Labor, Mine Safety and Health Administration

Telephone: 303-231-5959

Contains all mine identification numbers issued for mines active or opened since 1971. The data also includes violation information.

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 05/13/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/27/05
Date of Next Scheduled EDR Contact: 09/28/05

NPL LIENS: Federal Superfund Liens

Source: EPA

Telephone: 202-564-4267

Federal Superfund Liens. Under the authority granted the USEPA by the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, the USEPA has the authority to file liens against real property in order to recover remedial action expenditures or when the property owner receives notification of potential liability. USEPA compiles a listing of filed notices of Superfund Liens.

Date of Government Version: 10/15/91
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 05/23/05
Date of Next Scheduled EDR Contact: 08/22/05

PADS: PCB Activity Database System

Source: EPA

Telephone: 202-584-3867

PCB Activity Database. PADS identifies generators, transporters, commercial storers and/or brokers and disposers of PCB's who are required to notify the EPA of such activities.

Date of Government Version: 03/30/05
Database Release Frequency: Annually

Date of Last EDR Contact: 05/10/05
Date of Next Scheduled EDR Contact: 08/08/05

DOD: Department of Defense Sites

Source: USGS

Telephone: 703-692-8801

This data set consists of federally owned or administered lands, administered by the Department of Defense, that have any area equal to or greater than 640 acres of the United States, Puerto Rico, and the U.S. Virgin Islands.

Date of Government Version: 10/01/03
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 05/13/05
Date of Next Scheduled EDR Contact: 08/08/05

UMTRA: Uranium Mill Tailings Sites

Source: Department of Energy

Telephone: 505-845-0011

Uranium ore was mined by private companies for federal government use in national defense programs. When the mills shut down, large piles of the sand-like material (mill tailings) remain after uranium has been extracted from the ore. Levels of human exposure to radioactive materials from the piles are low; however, in some cases tailings were used as construction materials before the potential health hazards of the tailings were recognized. In 1978, 24 inactive uranium mill tailings sites in Oregon, Idaho, Wyoming, Utah, Colorado, New Mexico, Texas, North Dakota, South Dakota, Pennsylvania, and on Navajo and Hopi tribal lands, were targeted for cleanup by the Department of Energy.

Date of Government Version: 12/29/04
Database Release Frequency: Varies

Date of Last EDR Contact: 07/05/05
Date of Next Scheduled EDR Contact: 09/19/05

ODI: Open Dump Inventory

Source: Environmental Protection Agency

Telephone: 800-424-9348

An open dump is defined as a disposal facility that does not comply with one or more of the Part 257 or Part 258 Subtitle D Criteria.

Date of Government Version: 08/30/85
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 05/23/95
Date of Next Scheduled EDR Contact: N/A

FUDS: Formerly Used Defense Sites

Source: U.S. Army Corps of Engineers

Telephone: 202-528-4285

The listing includes locations of Formerly Used Defense Sites properties where the US Army Corps of Engineers is actively working or will take necessary cleanup actions.

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 12/31/04
Database Release Frequency: Varies

Date of Last EDR Contact: 08/29/05
Date of Next Scheduled EDR Contact: 10/03/05

INDIAN RESERV: Indian Reservations

Source: USGS
Telephone: 202-208-3710

This map layer portrays Indian administered lands of the United States that have any area equal to or greater than 640 acres.

Date of Government Version: 10/01/03
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 05/13/05
Date of Next Scheduled EDR Contact: 08/08/05

US ENG CONTROLS: Engineering Controls Sites List

Source: Environmental Protection Agency
Telephone: 703-603-8887

A listing of sites with engineering controls in place. Engineering controls include various forms of caps, building foundations, liners, and treatment methods to create pathway elimination for regulated substances to enter environmental media or effect human health.

Date of Government Version: 01/10/05
Database Release Frequency: Varies

Date of Last EDR Contact: 07/05/05
Date of Next Scheduled EDR Contact: 10/03/05

RAATS: RCRA Administrative Action Tracking System

Source: EPA
Telephone: 202-564-4104

RCRA Administration Action Tracking System. RAATS contains records based on enforcement actions issued under RCRA pertaining to major violators and includes administrative and civil actions brought by the EPA. For administration actions after September 30, 1995, data entry in the RAATS database was discontinued. EPA will retain a copy of the database for historical records. It was necessary to terminate RAATS because a decrease in agency resources made it impossible to continue to update the information contained in the database.

Date of Government Version: 04/17/95
Database Release Frequency: No Update Planned

Date of Last EDR Contact: 06/06/05
Date of Next Scheduled EDR Contact: 09/05/05

TRIS: Toxic Chemical Release Inventory System

Source: EPA
Telephone: 202-566-0250

Toxic Release Inventory System. TRIS identifies facilities which release toxic chemicals to the air, water and land in reportable quantities under SARA Title III Section 313.

Date of Government Version: 12/31/03
Database Release Frequency: Annually

Date of Last EDR Contact: 07/13/05
Date of Next Scheduled EDR Contact: 09/19/05

TSCA: Toxic Substances Control Act

Source: EPA
Telephone: 202-260-5521

Toxic Substances Control Act. TSCA identifies manufacturers and importers of chemical substances included on the TSCA Chemical Substance Inventory list. It includes data on the production volume of these substances by plant site.

Date of Government Version: 12/31/02
Database Release Frequency: Every 4 Years

Date of Last EDR Contact: 07/18/05
Date of Next Scheduled EDR Contact: 10/17/05

FTTS INSP: FIFRA/ TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)

Source: EPA
Telephone: 202-566-1887

Date of Government Version: 04/13/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 08/20/05
Date of Next Scheduled EDR Contact: 09/19/05

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

SSTS: Section 7 Tracking Systems

Source: EPA

Telephone: 202-564-4203

Section 7 of the Federal Insecticide, Fungicide and Rodenticide Act, as amended (92 Stat. 829) requires all registered pesticide-producing establishments to submit a report to the Environmental Protection Agency by March 1st each year. Each establishment must report the types and amounts of pesticides, active ingredients and devices being produced, and those having been produced and sold or distributed in the past year.

Date of Government Version: 12/31/03
Database Release Frequency: Annually

Date of Last EDR Contact: 07/18/05
Date of Next Scheduled EDR Contact: 10/17/05

FTTS: FIFRA/TSCA Tracking System - FIFRA (Federal Insecticide, Fungicide, & Rodenticide Act)/TSCA (Toxic Substances Control Act)

Source: EPA/Office of Prevention, Pesticides and Toxic Substances

Telephone: 202-566-1687

FTTS tracks administrative cases and pesticide enforcement actions and compliance activities related to FIFRA, TSCA and EPCRA (Emergency Planning and Community Right-to-Know Act). To maintain currency, EDR contacts the Agency on a quarterly basis.

Date of Government Version: 04/13/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 06/20/05
Date of Next Scheduled EDR Contact: 09/19/05

STATE OF FLORIDA ASTM STANDARD RECORDS**SHWS: Florida's State-Funded Action Sites**

Source: Department of Environmental Protection

Telephone: 850-488-0190

State Hazardous Waste Sites. State hazardous waste site records are the states' equivalent to CERCLIS. These sites may or may not already be listed on the federal CERCLIS list. Priority sites planned for cleanup using state funds (state equivalent of Superfund) are identified along with sites where cleanup will be paid for by potentially responsible parties. Available information varies by state.

Date of Government Version: 03/22/05
Date Made Active at EDR: 07/15/05
Database Release Frequency: Semi-Annually

Date of Data Arrival at EDR: 06/24/05
Elapsed ASTM days: 21
Date of Last EDR Contact: 06/24/05

SWF/LF: Solid Waste Facility Database

Source: Department of Environmental Protection

Telephone: 850-922-7121

Solid Waste Facilities/Landfill Sites. SWF/LF type records typically contain an inventory of solid waste disposal facilities or landfills in a particular state. Depending on the state, these may be active or inactive facilities or open dumps that failed to meet RCRA Subtitle D Section 4004 criteria for solid waste landfills or disposal sites.

Date of Government Version: 05/18/05
Date Made Active at EDR: 05/26/05
Database Release Frequency: Semi-Annually

Date of Data Arrival at EDR: 05/17/05
Elapsed ASTM days: 9
Date of Last EDR Contact: 05/17/05

LUST: PCT01 - Petroleum Contamination Detail Report

Source: Department of Environmental Protection

Telephone: 850-245-8839

Leaking Underground Storage Tank Incident Reports. LUST records contain an inventory of reported leaking underground storage tank incidents. Not all states maintain these records, and the information stored varies by state.

Date of Government Version: 05/04/05
Date Made Active at EDR: 08/18/05
Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 05/31/05
Elapsed ASTM days: 16
Date of Last EDR Contact: 05/31/05

UST: ST102 - Facility/Owner/Tank Report

Source: Department of Environmental Protection

Telephone: 850-245-8839

Registered Underground Storage Tanks. UST's are regulated under Subtitle I of the Resource Conservation and Recovery Act (RCRA) and must be registered with the state department responsible for administering the UST program. Available information varies by state program.

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Date of Government Version: 05/04/05
 Date Made Active at EDR: 08/23/05
 Database Release Frequency: Quarterly

Date of Data Arrival at EDR: 05/31/05
 Elapsed ASTM days: 23
 Date of Last EDR Contact: 05/31/05

INDIAN UST: Underground Storage Tanks on Indian Land
 Source: EPA Region 4
 Telephone: 404-562-9424

Date of Government Version: 08/08/05
 Date Made Active at EDR: 08/08/05
 Database Release Frequency: Varies

Date of Data Arrival at EDR: 07/11/05
 Elapsed ASTM days: 28
 Date of Last EDR Contact: 05/25/05

VCP: Voluntary Cleanup Sites
 Source: Department of Environmental Protection
 Telephone: 850-245-8705

Date of Government Version: 08/21/05
 Date Made Active at EDR: 07/15/05
 Database Release Frequency: Varies

Date of Data Arrival at EDR: 08/21/05
 Elapsed ASTM days: 24
 Date of Last EDR Contact: 06/20/05

INDIAN LUST: Leaking Underground Storage Tanks on Indian Land
 Source: EPA Region 4
 Telephone: 404-562-8877
 LUSTs on Indian land in Florida, Minnesota, Mississippi and North Carolina.

Date of Government Version: 08/08/05
 Date Made Active at EDR: 08/08/05
 Database Release Frequency: Varies

Date of Data Arrival at EDR: 07/11/05
 Elapsed ASTM days: 28
 Date of Last EDR Contact: 05/25/05

STATE OF FLORIDA ASTM SUPPLEMENTAL RECORDS

AST: ST102 - Facility/Owner/Tank Report
 Source: Department of Environmental Protection
 Telephone: 850-245-8839
 Registered Aboveground Storage Tanks.

Date of Government Version: 05/04/05
 Database Release Frequency: Quarterly

Date of Last EDR Contact: 05/31/05
 Date of Next Scheduled EDR Contact: 08/29/05

FL SITES: Sites List
 Source: Department of Environmental Protection
 Telephone: 850-245-8705

Date of Government Version: 12/31/89
 Database Release Frequency: No Update Planned

Date of Last EDR Contact: 03/24/94
 Date of Next Scheduled EDR Contact: N/A

FL Cattle Dip. Vats: Cattle Dipping Vats
 Source: Department of Environmental Protection
 Telephone: 850-488-3601

Date of Government Version: 05/01/94
 Database Release Frequency: No Update Planned

Date of Last EDR Contact: 05/09/05
 Date of Next Scheduled EDR Contact: 08/08/05

SPILLS: Oil and Hazardous Materials Incidents
 Source: Department of Environmental Protection
 Telephone: 850-488-2974
 Statewide oil and hazardous materials inland incidents.

Date of Government Version: 02/27/05
 Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 07/15/05
 Date of Next Scheduled EDR Contact: 08/08/05

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

DEDB: Ethylene Dibromide Database Results

Source: Department of Environmental Protection
Telephone: 850-245-8335

Ethylene dibromide (EDB), a soil fumigant, that has been detected in drinking water wells. The amount found exceeds the maximum contaminant level as stated in Chapter 82-550 or 520. It is a potential threat to public health when present in drinking water.

Date of Government Version: 04/28/05
Database Release Frequency: Varies

Date of Last EDR Contact: 07/18/05
Date of Next Scheduled EDR Contact: 10/17/05

ENG CONTROLS: Institutional Controls Registry

Source: Department of Environmental Protection
Telephone: 850-245-8927

The registry is a database of all contaminated sites in the state of Florida which are subject to engineering controls. Engineering Controls encompass a variety of engineered remedies to contain and/or reduce contamination, and/or physical barriers intended to limit access to property. ECs include fences, signs, guards, landfill caps, provision of potable water, slurry walls, sheet pile (vertical caps), pumping and treatment of groundwater, monitoring wells, and vapor extraction systems.

Date of Government Version: 05/03/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 05/27/05
Date of Next Scheduled EDR Contact: 08/01/05

PRIORITY CLEANERS: Priority Ranking List

Source: Department of Environmental Protection
Telephone: 850-245-8927

The Florida Legislature has established a state-funded program to cleanup properties that are contaminated as a result of the operations of a drycleaning facility.

Date of Government Version: 05/01/05
Database Release Frequency: Varies

Date of Last EDR Contact: 05/27/05
Date of Next Scheduled EDR Contact: 08/22/05

DRY CLEANERS: Drycleaning Facilities

Source: Department of Environmental Protection
Telephone: 850-245-8927

Date of Government Version: 05/04/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 05/23/05
Date of Next Scheduled EDR Contact: 08/22/05

WASTEWATER: Wastewater Facility Regulation Database

Source: Department of Environmental Protection
Telephone: 850-921-9495

Domestic and industrial wastewater facilities.

Date of Government Version: 02/18/05
Database Release Frequency: Quarterly

Date of Last EDR Contact: 06/09/05
Date of Next Scheduled EDR Contact: 09/05/05

LOCAL RECORDS**ALACHUA COUNTY:****Facility List**

Source: Alachua County Environmental Protection Department
Telephone: 352-264-8800

List of all regulated facilities in Alachua County.

Date of Government Version: 01/20/05
Database Release Frequency: Annually

Date of Last EDR Contact: 06/20/05
Date of Next Scheduled EDR Contact: 09/19/05

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

BROWARD COUNTY:**Underground Storage Tanks**

Source: Department of Natural Resources Protection
Telephone: 954-519-1292

Date of Government Version: 12/01/02
Database Release Frequency: Annually

Date of Last EDR Contact: 07/11/05
Date of Next Scheduled EDR Contact: 09/26/05

Notice Of Violations Sites

Source: Department of Natural Resources Protection
Telephone: 954-519-1292

NOV facilities have received a notice of violation letter under the Broward County Chapter 27 Code.

Date of Government Version: 12/01/02
Database Release Frequency: Annually

Date of Last EDR Contact: 07/11/05
Date of Next Scheduled EDR Contact: 09/26/05

Semi-Annual Inventory Report on Contaminated Locations

Source: Broward County Department of Natural Resources Protection
Telephone: 954-519-1260

Early Detection Incentive/Environmental Assessment Remediation. This report monitors the status and remediation progress of known contaminated locations within Broward County. Sites listed by the US EPA, the Florida Department of Environmental Protection, and sites licensed for contamination assessment and cleanup by the Division of Pollution Prevention and Remediation Programs of the Department.

Date of Government Version: 01/01/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 06/30/05
Date of Next Scheduled EDR Contact: 09/26/05

Hazardous Material Sites

Source: Department of Natural Resources Protection
Telephone: 954-519-1292

HM sites use or store greater than 25 gallons of hazardous materials per month.

Date of Government Version: 12/01/02
Database Release Frequency: Annually

Date of Last EDR Contact: 07/11/05
Date of Next Scheduled EDR Contact: 09/26/05

MIAMI-DADE COUNTY:**Underground Storage Tanks**

Source: Department of Environmental Resource Management
Telephone: 305-372-6700

Date of Government Version: 02/09/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 06/28/05
Date of Next Scheduled EDR Contact: 09/26/05

Grease Trap Sites

Source: Dade County Dept. of Env. Resources Mgmt.
Telephone: 305-372-6508

Any non-residential facility that discharges waste to a sanitary sewer.

Date of Government Version: 12/17/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 06/28/05
Date of Next Scheduled EDR Contact: 09/26/05

Enforcement Case Tracking System Sites

Source: Department of Environmental Resources Management
Telephone: 305-372-6755

Date of Government Version: 02/17/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/26/05

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Fuel Spills Cases

Source: Department of Environmental Resources Management
Telephone: 305-372-8755

Date of Government Version: 05/24/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

Hazardous Waste Sites

Source: Dade County Department of Environmental Resources Management
Telephone: 305-372-8755
Sites with the potential to generate waste

Date of Government Version: 11/05/03
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

Air Permit Sites

Source: Department of Environmental Resources Management
Telephone: 305-372-8755

Date of Government Version: 05/31/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

Industrial Waste Permit Sites

Source: Department of Environmental Resources Management
Telephone: 305-372-8700

Facilities that either generate more than 25,000 of wastewater per day to sanitary sewers or are pre-defined by EPA.

Date of Government Version: 12/17/04
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

Industrial Waste Type 2-4 Sites

Source: Department of Environmental Resources Management
Telephone: 305-372-8700

IW2s are facilities having reclaim or recycling systems with no discharges, aboveground holding tanks or spill prevention and countermeasure plans. IW4s are facilities that discharge an effluent to the ground.

Date of Government Version: 08/13/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

Industrial Waste Type 5 Sites

Source: Department of Environmental Resources Management
Telephone: 305-372-8700

Generally these facilities fall under the category of "conditionally exempt small quantity generator" or "small quantity generator".

Date of Government Version: 08/13/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

Industrial Waste Type 6

Source: Department of Environmental Resources Management
Telephone: 305-372-8700

Permits issued to those non-residential land uses located within the major drinking water wellfield protection areas that are not served by sanitary sewers. These facilities do not handle hazardous materials but are regulated because of the env. sensitivity of the areas where they are located.

Date of Government Version: 08/13/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/28/05
Date of Next Scheduled EDR Contact: 09/28/05

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

EDR PROPRIETARY HISTORICAL DATABASES

Former Manufactured Gas (Coal Gas) Sites: The existence and location of Coal Gas sites is provided exclusively to EDR by Real Property Scan, Inc. ©Copyright 1993 Real Property Scan, Inc. For a technical description of the types of hazards which may be found at such sites, contact your EDR customer service representative.

Disclaimer Provided by Real Property Scan, Inc.

The information contained in this report has predominantly been obtained from publicly available sources produced by entities other than Real Property Scan. While reasonable steps have been taken to insure the accuracy of this report, Real Property Scan does not guarantee the accuracy of this report. Any liability on the part of Real Property Scan is strictly limited to a refund of the amount paid. No claim is made for the actual existence of toxins at any site. This report does not constitute a legal opinion.

BROWNFIELDS DATABASES

Inst Control: Institutional Controls Registry

Source: Department of Environmental Protection
Telephone: 850-245-8927

The registry is a database of all contaminated sites in the state of Florida which are subject to institutional and engineering controls.

Date of Government Version: 05/03/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 05/27/05
Date of Next Scheduled EDR Contact: 08/01/05

Brownfields: Brownfield Areas

Source: Department of Environmental Protection
Telephone: 850-413-0062

Date of Government Version: 04/01/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 05/03/05
Date of Next Scheduled EDR Contact: 08/01/05

VCP: Voluntary Cleanup Sites

Source: Department of Environmental Protection
Telephone: 850-245-8705

Date of Government Version: 08/21/05
Database Release Frequency: Varies

Date of Last EDR Contact: 06/20/05
Date of Next Scheduled EDR Contact: 09/19/05

US BROWNFIELDS: A Listing of Brownfields Sites

Source: Environmental Protection Agency
Telephone: 202-566-2777

Included in the listing are brownfields properties addresses by Cooperative Agreement Recipients and brownfields properties addressed by Targeted Brownfields Assessments. Targeted Brownfields Assessments-EPA's Targeted Brownfields Assessments (TBA) program is designed to help states, tribes, and municipalities--especially those without EPA Brownfields Assessment Demonstration Pilots--minimize the uncertainties of contamination often associated with brownfields. Under the TBA program, EPA provides funding and/or technical assistance for environmental assessments at brownfields sites throughout the country. Targeted Brownfields Assessments supplement and work with other efforts under EPA's Brownfields Initiative to promote cleanup and redevelopment of brownfields. Cooperative Agreement Recipients-States, political subdivisions, territories, and Indian tribes become Brownfields Cleanup Revolving Loan Fund (BCRLF) cooperative agreement recipients when they enter into BCRLF cooperative agreements with the U.S. EPA. EPA selects BCRLF cooperative agreement recipients based on a proposal and application process. BCRLF cooperative agreement recipients must use EPA funds provided through BCRLF cooperative agreement for specified brownfields-related cleanup activities.

Date of Government Version: 01/10/05
Database Release Frequency: Semi-Annually

Date of Last EDR Contact: 08/13/05
Date of Next Scheduled EDR Contact: 09/12/05

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GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

US INST CONTROL: Sites with Institutional Controls

Source: Environmental Protection Agency
Telephone: 703-603-8867

A listing of sites with institutional controls in place. Institutional controls include administrative measures, such as groundwater use restrictions, construction restrictions, property use restrictions, and post remediation care requirements intended to prevent exposure to contaminants remaining on site. Deed restrictions are generally required as part of the institutional controls.

Date of Government Version: 01/10/05
Database Release Frequency: Varies

Date of Last EDR Contact: 07/05/05
Date of Next Scheduled EDR Contact: 10/03/05

OTHER DATABASE(S)

Depending on the geographic area covered by this report, the data provided in these specialty databases may or may not be complete. For example, the existence of wetlands information data in a specific report does not mean that all wetlands in the area covered by the report are included. Moreover, the absence of any reported wetlands information does not necessarily mean that wetlands do not exist in the area covered by the report.

Oil/Gas Pipelines: This data was obtained by EDR from the USGS in 1994. It is referred to by USGS as GeoData Digital Line Graphs from 1:100,000-Scale Maps. It was extracted from the transportation category including some oil, but primarily gas pipelines.

Electric Power Transmission Line Data

Source: PennWell Corporation
Telephone: (800) 823-6277

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Sensitive Receptors: There are individuals deemed sensitive receptors due to their fragile immune systems and special sensitivity to environmental discharges. These sensitive receptors typically include the elderly, the sick, and children. While the location of all sensitive receptors cannot be determined, EDR indicates those buildings and facilities - schools, daycares, hospitals, medical centers, and nursing homes - where individuals who are sensitive receptors are likely to be located.

AHA Hospitals:

Source: American Hospital Association, Inc.
Telephone: 312-280-5991

The database includes a listing of hospitals based on the American Hospital Association's annual survey of hospitals.

Medical Centers: Provider of Services Listing

Source: Centers for Medicare & Medicaid Services
Telephone: 410-786-3000

A listing of hospitals with Medicare provider number, produced by Centers of Medicare & Medicaid Services, a federal agency within the U.S. Department of Health and Human Services.

Nursing Homes

Source: National Institutes of Health
Telephone: 301-594-6248

Information on Medicare and Medicaid certified nursing homes in the United States.

Public Schools

Source: National Center for Education Statistics
Telephone: 202-502-7300

The National Center for Education Statistics' primary database on elementary and secondary public education in the United States. It is a comprehensive, annual, national statistical database of all public elementary and secondary schools and school districts, which contains data that are comparable across all states.

Private Schools

Source: National Center for Education Statistics
Telephone: 202-502-7300

The National Center for Education Statistics' primary database on private school locations in the United States.

Daycare Centers: Department of Children & Families

Source: Provider Information
Telephone: 850-488-4900

GOVERNMENT RECORDS SEARCHED / DATA CURRENCY TRACKING

Flood Zone Data: This data, available in select counties across the country, was obtained by EDR in 1999 from the Federal Emergency Management Agency (FEMA). Data depicts 100-year and 500-year flood zones as defined by FEMA.

NWI: National Wetlands Inventory. This data, available in select counties across the country, was obtained by EDR in 2002 from the U.S. Fish and Wildlife Service.

Florida State Wetlands

Source: Florida Department of Environmental Protection

This data was obtained by EDR in 2003 from the Florida Department of Environmental Protection.

STREET AND ADDRESS INFORMATION

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GEOCHECK® - PHYSICAL SETTING SOURCE ADDENDUM**TARGET PROPERTY ADDRESS**

OKALOOSA AIRPORT EXPANSION EBS
SR 85
VALPARAISO, FL 32542

TARGET PROPERTY COORDINATES

Latitude (North): 30.495399 - 30° 29' 43.4"
Longitude (West): 86.545197 - 86° 32' 42.7"
Universal Transverse Mercator: Zone 16
UTM X (Meters): 543646.0
UTM Y (Meters): 3373587.8
Elevation: 85 ft. above sea level

EDR's GeoCheck Physical Setting Source Addendum has been developed to assist the environmental professional with the collection of physical setting source information in accordance with ASTM 1527-00, Section 7.2.3. Section 7.2.3 requires that a current USGS 7.5 Minute Topographic Map (or equivalent, such as the USGS Digital Elevation Model) be reviewed. It also requires that one or more additional physical setting sources be sought when (1) conditions have been identified in which hazardous substances or petroleum products are likely to migrate to or from the property, and (2) more information than is provided in the current USGS 7.5 Minute Topographic Map (or equivalent) is generally obtained, pursuant to local good commercial or customary practice, to assess the impact of migration of recognized environmental conditions in connection with the property. Such additional physical setting sources generally include information about the topographic, hydrologic, hydrogeologic, and geologic characteristics of a site, and wells in the area.

Assessment of the impact of contaminant migration generally has two principle investigative components:

1. Groundwater flow direction, and
2. Groundwater flow velocity.

Groundwater flow direction may be impacted by surface topography, hydrology, hydrogeology, characteristics of the soil, and nearby wells. Groundwater flow velocity is generally impacted by the nature of the geologic strata. EDR's GeoCheck Physical Setting Source Addendum is provided to assist the environmental professional in forming an opinion about the impact of potential contaminant migration.

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GEOCHECK® - PHYSICAL SETTING SOURCE SUMMARY

GROUNDWATER FLOW DIRECTION INFORMATION

Groundwater flow direction for a particular site is best determined by a qualified environmental professional using site-specific well data. If such data is not reasonably ascertainable, it may be necessary to rely on other sources of information, such as surface topographic information, hydrologic information, hydrogeologic data collected on nearby properties, and regional groundwater flow information (from deep aquifers).

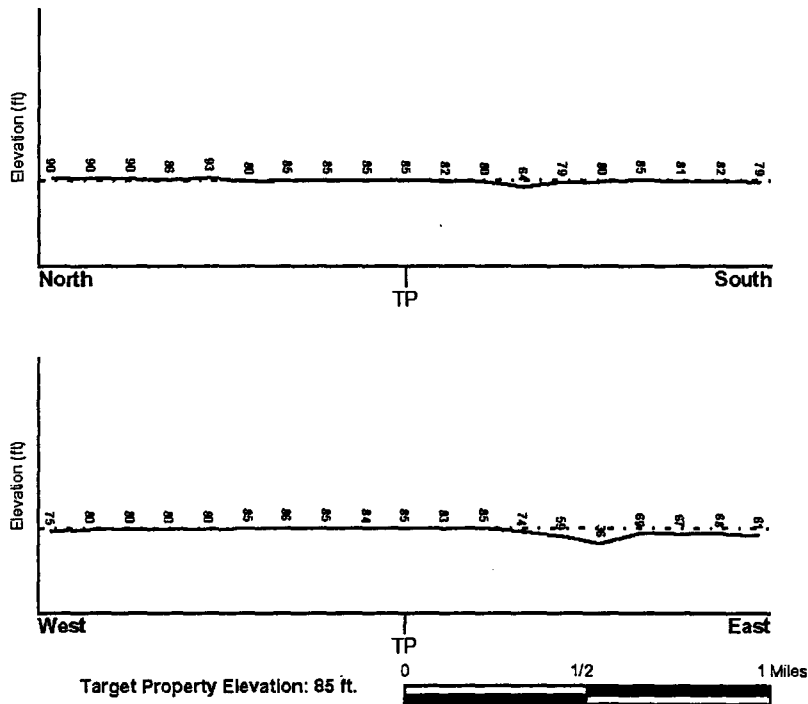
TOPOGRAPHIC INFORMATION

Surface topography may be indicative of the direction of surficial groundwater flow. This information can be used to assist the environmental professional in forming an opinion about the impact of nearby contaminated properties or, should contamination exist on the target property, what downgradient sites might be impacted.

TARGET PROPERTY TOPOGRAPHY

USGS Topographic Map: 30086-D5 FORT WALTON BEACH, FL
 General Topographic Gradient: General SSE
 Source: USGS 7.5 min quad index

SURROUNDING TOPOGRAPHY: ELEVATION PROFILES



Source: Topography has been determined from the USGS 7.5' Digital Elevation Model and should be evaluated on a relative (not an absolute) basis. Relative elevation information between sites of close proximity should be field verified.

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GEOCHECK® - PHYSICAL SETTING SOURCE SUMMARY

HYDROLOGIC INFORMATION

Surface water can act as a hydrologic barrier to groundwater flow. Such hydrologic information can be used to assist the environmental professional in forming an opinion about the impact of nearby contaminated properties or, should contamination exist on the target property, what downgradient sites might be impacted.

Refer to the Physical Setting Source Map following this summary for hydrologic information (major waterways and bodies of water).

FEMA FLOOD ZONE

<u>Target Property County</u> OKALOOSA, FL	<u>FEMA Flood Electronic Data</u> YES - refer to the Overview Map and Detail Map
Flood Plain Panel at Target Property:	1201730190D
Additional Panels in search area:	Not Reported

NATIONAL WETLAND INVENTORY

<u>NWI Quad at Target Property</u> FORT WALTON BEACH	<u>NWI Electronic Data Coverage</u> YES - refer to the Overview Map and Detail Map
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HYDROGEOLOGIC INFORMATION

Hydrogeologic information obtained by installation of wells on a specific site can often be an indicator of groundwater flow direction in the immediate area. Such hydrogeologic information can be used to assist the environmental professional in forming an opinion about the impact of nearby contaminated properties or, should contamination exist on the target property, what downgradient sites might be impacted.

Site-Specific Hydrogeological Data:*
 Search Radius: 1.25 miles
 Status: Not found

AQUIFLOW®

Search Radius: 1.000 Mile.

EDR has developed the AQUIFLOW Information System to provide data on the general direction of groundwater flow at specific points. EDR has reviewed reports submitted by environmental professionals to regulatory authorities at select sites and has extracted the date of the report, groundwater flow direction as determined hydrogeologically, and the depth to water table.

<u>MAP ID</u>	<u>LOCATION FROM TP</u>	<u>GENERAL DIRECTION GROUNDWATER FLOW</u>
Not Reported		

* ©1996 Site-specific hydrogeological data gathered by CERCLIS Alerts, Inc., Bainbridge Island, WA. All rights reserved. All of the information and opinions presented are those of the cited EPA report(s), which were compiled under a Comprehensive Environmental Response Compensation and Liability Information System (CERCLIS) investigation.

GEOCHECK® - PHYSICAL SETTING SOURCE SUMMARY

GROUNDWATER FLOW VELOCITY INFORMATION

Groundwater flow velocity information for a particular site is best determined by a qualified environmental professional using site specific geologic and soil strata data. If such data are not reasonably ascertainable, it may be necessary to rely on other sources of information, including geologic age identification, rock stratigraphic unit and soil characteristics data collected on nearby properties and regional soil information. In general, contaminant plumes move more quickly through sandy-gravelly types of soils than silty-clayey types of soils.

GEOLOGIC INFORMATION IN GENERAL AREA OF TARGET PROPERTY

Geologic information can be used by the environmental professional in forming an opinion about the relative speed at which contaminant migration may be occurring.

ROCK STRATIGRAPHIC UNIT

Era:	Cenozoic
System:	Tertiary
Series:	Pliocene
Code:	Tpc (decoded above as Era, System & Series)

GEOLOGIC AGE IDENTIFICATION

Category: Continental Deposits

Geologic Age and Rock Stratigraphic Unit Source: P.G. Schruben, R.E. Arndt and W.J. Bawiec, Geology of the Conterminous U.S. at 1:2,500,000 Scale - a digital representation of the 1974 P.B. King and H.M. Beikman Map, USGS Digital Data Series DDS - 11 (1994).

DOMINANT SOIL COMPOSITION IN GENERAL AREA OF TARGET PROPERTY

The U.S. Department of Agriculture's (USDA) Soil Conservation Service (SCS) leads the National Cooperative Soil Survey (NCSS) and is responsible for collecting, storing, maintaining and distributing soil survey information for privately owned lands in the United States. A soil map in a soil survey is a representation of soil patterns in a landscape. Soil maps for STATSGO are compiled by generalizing more detailed (SSURGO) soil survey maps. The following information is based on Soil Conservation Service STATSGO data.

Soil Component Name:	LAKELAND
Soil Surface Texture:	sand
Hydrologic Group:	Class A - High infiltration rates. Soils are deep, well drained to excessively drained sands and gravels.
Soil Drainage Class:	Excessively. Soils have very high and high hydraulic conductivity and low water holding capacity. Depth to water table is more than 8 feet.
Hydric Status:	Soil does not meet the requirements for a hydric soil.
Corrosion Potential - Uncoated Steel:	LOW
Depth to Bedrock Min:	> 60 inches
Depth to Bedrock Max:	> 60 inches

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GEOCHECK® - PHYSICAL SETTING SOURCE SUMMARY

Soil Layer Information							
Layer	Boundary		Soil Texture Class	Classification		Permeability Rate (in/hr)	Soil Reaction (pH)
	Upper	Lower		AASHTO Group	Unified Soil		
1	0 inches	43 inches	sand	Granular materials (35 pct. or less passing No. 200), Fine Sand.	COARSE-GRAINED SOILS, Sands, Clean Sands, Poorly graded sand. COARSE-GRAINED SOILS, Sands, Sands with fines, Silty Sand.	Max: 20.00 Min: 6.00	Max: 6.00 Min: 4.50
2	43 inches	80 inches	sand	Granular materials (35 pct. or less passing No. 200), Fine Sand.	COARSE-GRAINED SOILS, Sands, Clean Sands, Poorly graded sand.	Max: 20.00 Min: 6.00	Max: 6.00 Min: 4.50

OTHER SOIL TYPES IN AREA

Based on Soil Conservation Service STATSGO data, the following additional subordinant soil types may appear within the general area of target property.

Soil Surface Textures: loamy sand

Surficial Soil Types: loamy sand

Shallow Soil Types: fine sandy loam

Deeper Soil Types: sandy clay loam
loamy fine sand
sandy loam

ADDITIONAL ENVIRONMENTAL RECORD SOURCES

According to ASTM E 1527-00, Section 7.2.2, "one or more additional state or local sources of environmental records may be checked, in the discretion of the environmental professional, to enhance and supplement federal and state sources... Factors to consider in determining which local or additional state records, if any, should be checked include (1) whether they are reasonably ascertainable, (2) whether they are sufficiently useful, accurate, and complete in light of the objective of the records review (see 7.1.1), and (3) whether they are obtained, pursuant to local, good commercial or customary practice." One of the record sources listed in Section 7.2.2 is water well information. Water well information can be used to assist the environmental professional in assessing sources that may impact groundwater flow direction, and in forming an opinion about the impact of contaminant migration on nearby drinking water wells.

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GEOCHECK® - PHYSICAL SETTING SOURCE SUMMARY
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WELL SEARCH DISTANCE INFORMATION

<u>DATABASE</u>	<u>SEARCH DISTANCE (miles)</u>
Federal USGS	1.000
Federal FRDS PWS	Nearest PWS within 1 mile
State Database	1.000

FEDERAL USGS WELL INFORMATION

<u>MAP ID</u>	<u>WELL ID</u>	<u>LOCATION FROM TP</u>
1	USGS2330624	1/4 - 1/2 Mile SW

FEDERAL FRDS PUBLIC WATER SUPPLY SYSTEM INFORMATION

<u>MAP ID</u>	<u>WELL ID</u>	<u>LOCATION FROM TP</u>
No PWS System Found		

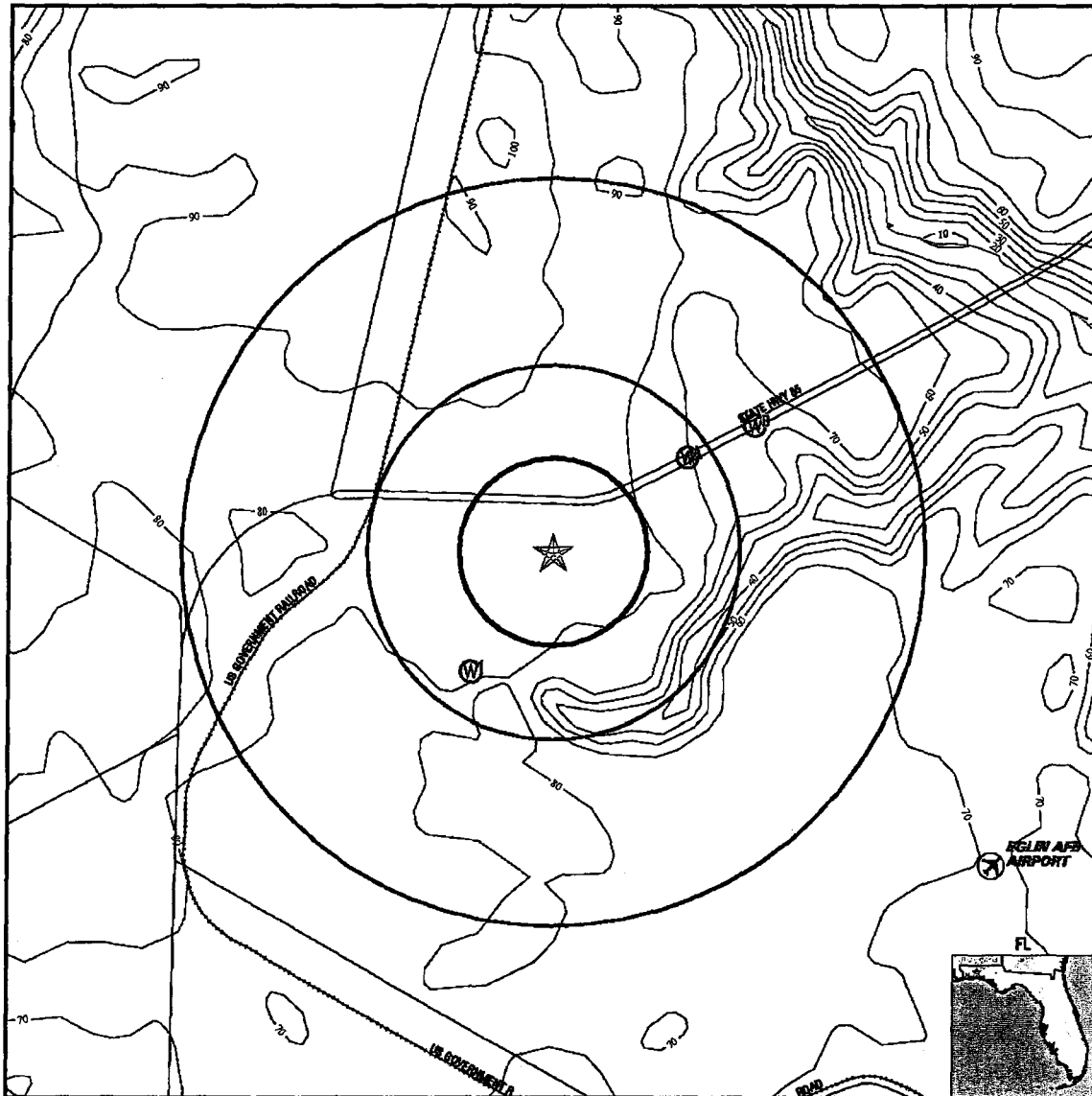
Note: PWS System location is not always the same as well location.

STATE DATABASE WELL INFORMATION

<u>MAP ID</u>	<u>WELL ID</u>	<u>LOCATION FROM TP</u>
A2	N67815	1/4 - 1/2 Mile NE
A3	N67814	1/4 - 1/2 Mile NE
A4	N4877	1/4 - 1/2 Mile NE
A5	N67812	1/4 - 1/2 Mile NE
A6	N67813	1/4 - 1/2 Mile NE
B7	N23934	1/2 - 1 Mile ENE
B8	N23935	1/2 - 1 Mile ENE
B9	N91949	1/2 - 1 Mile ENE
B10	N91952	1/2 - 1 Mile ENE
B11	N23932	1/2 - 1 Mile ENE
B12	N23933	1/2 - 1 Mile ENE

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PHYSICAL SETTING SOURCE MAP - 01491180.1r



- County Boundary
- Major Roads
- Contour Lines
- Airports
- Earthquake epicenter, Richter 5 or greater
- Water Wells
- Public Water Supply Wells
- Cluster of Multiple Icons
- Groundwater Flow Direction
- Indeterminate Groundwater Flow at Location
- Groundwater Flow Varies at Location
- Closest Hydrogeological Data
- Sink holes

TARGET PROPERTY:	Okaloosa Airport Expansion EBS	CUSTOMER:	SAIC
ADDRESS:	SR 85	CONTACT:	Trina Smith
CITY/STATE/ZIP:	Valparaiso FL 32542	INQUIRY #:	01491180.1r
LAT/LONG:	30.4954 / 86.5452	DATE:	August 18, 2005 2:52 pm

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GEOCHECK® - PHYSICAL SETTING SOURCE MAP FINDINGS

Map ID Direction Distance Elevation	Database	EDR ID Number
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1 SW 1/4 - 1/2 Mile Lower	FED USGS	USGS2330624
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Agency cd:	USGS	Site no:	302926086325601
Site name:	BLDG 1356 LH109A		
Latitude:	302926		
Longitude:	0663256	Dec lat:	30.49075347
Dec lon:	-86.54884034	Coor meth:	M
Coor acqr:	F	Latlong datum:	NAD27
Dec latlong datum:	NAD83	District:	123
State:	12	County:	091
Country:	US	Land net:	Not Reported
Location map:	FORT WALTON BEACH	Map scale:	24000
Altitude:	85.00	Altitude method:	M
Altitude accuracy:	5.	Altitude datum:	NGVD29
Hydrologic:	Choctawhatchee Bay, Florida. Area = 699 sq.mi.		
Topographic:	Flat surface		
Site type:	Ground-water other than Spring	Date construction:	19690609
Date inventoried:	Not Reported	Mean greenwich time offset:	CST
Local standard time flag:	Y		
Type of ground water site:	Single well, other than collector or Ranney type		
Aquifer Type:	Not Reported		
Aquifer:	FLORIDAN AQUIFER		
Well depth:	585	Hole depth:	585
Source of depth data:	Not Reported	Project number:	459528200
Real time data flag:	0	Daily flow data begin date:	0000-00-00
Daily flow data end date:	0000-00-00	Daily flow data count:	0
Peak flow data begin date:	0000-00-00	Peak flow data end date:	0000-00-00
Peak flow data count:	0	Water quality data begin date:	1979-07-10
Water quality data end date:	1979-07-10	Water quality data count:	1
Ground water data begin date:	1979-03-06	Ground water data end date:	1979-03-06
Ground water data count:	1		

Ground-water levels, Number of Measurements: 1

Date	Feet below Surface	Feet to Sealevel
1979-03-06	90.39	

A2 NE 1/4 - 1/2 Mile Lower	FL WELLS	N67815
-------------------------------------	----------	--------

Permit Number:	9203130	District:	North West Florida
Well Depth:	1		
Owner:	Nuggett Oil Co.		
Owner Address:	PO BOX 1297 Crestview, FL 32536		
Casing Depth (in FL):	1	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	03N	Section:	008D
Range:	23W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	Not Reported
Water Level (in FL):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 85	Wells City:	Crestview
Use:	Monitor		

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GEOCHECK® - PHYSICAL SETTING SOURCE MAP FINDINGS

Map ID Direction Distance Elevation		Database	EDR ID Number
A3 NE 1/4 - 1/2 Mile Lower		FL WELLS	N67814
Permit Number:	9203129	District:	North West Florida
Well Depth:	1		
Owner:	Nuggett Oil Co.		
Owner Address:	PO BOX 1297 Crestview, FL 32536		
Casing Depth (in Ft.):	1	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	03N	Section:	008D
Range:	23W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	Not Reported
Water Level (in Ft.):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 85	Wells City:	Crestview
Use:	Monitor		
A4 NE 1/4 - 1/2 Mile Lower		FL WELLS	N4677
Permit Number:	7901185	District:	North West Florida
Well Depth:	48		
Owner:	City of Laurel Hill		
Owner Address:	PO BOX 158 Laurel Hill, FL 32587		
Casing Depth (in Ft.):	22	Job Type:	Repair
Latitude:	Not Reported	Longitude:	Not Reported
Township:	05N	Section:	005B
Range:	22W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	20
Water Level (in Ft.):	Not Reported	Drilling Method:	Rotary
Well Address:	Highway 85	Wells City:	Laurel Hill
Use:	Public Supply		
A5 NE 1/4 - 1/2 Mile Lower		FL WELLS	N67812
Permit Number:	9203127	District:	North West Florida
Well Depth:	2		
Owner:	Nuggett Oil Co.		
Owner Address:	PO BOX 1297 Crestview, FL 32536		
Casing Depth (in Ft.):	2	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	03N	Section:	008D
Range:	23W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	Not Reported
Water Level (in Ft.):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 85	Wells City:	Crestview
Use:	Monitor		

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GEOCHECK® - PHYSICAL SETTING SOURCE MAP FINDINGS

Map ID Direction Distance Elevation		Database	EDR ID Number
A6 NE 1/4 - 1/2 Mile Lower		FL WELLS	N67813
Permit Number:	9203128	District:	North West Florida
Well Depth:	1		
Owner:	Nuggett Oil Co.		
Owner Address:	PO BOX 1297 Crestview, FL 32538		
Casing Depth (in FL):	1	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	03N	Section:	008D
Range:	23W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	Not Reported
Water Level (in FL):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 85	Wells City:	Crestview
Use:	Monitor		
B7 ENE 1/2 - 1 Mile Lower		FL WELLS	N23934
Permit Number:	8602655	District:	North West Florida
Well Depth:	8		
Owner:	Joe Bruner		
Owner Address:	9 Gipson Place FL Walton Bch., FL 32548		
Casing Depth (in FL):	7	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	02S	Section:	Not Reported
Range:	22W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	2
Water Level (in FL):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 98	Wells City:	Destin
Use:	Landscape Irrigation		
B8 ENE 1/2 - 1 Mile Lower		FL WELLS	N23935
Permit Number:	8602656	District:	North West Florida
Well Depth:	8		
Owner:	Joe Bruner		
Owner Address:	9 Gipson Place FL Walton Bch., FL 32548		
Casing Depth (in FL):	7	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	02S	Section:	Not Reported
Range:	22W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	2
Water Level (in FL):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 98	Wells City:	Destin
Use:	Landscape Irrigation		

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GEOCHECK® - PHYSICAL SETTING SOURCE MAP FINDINGS

Map ID Direction Distance Elevation		Database	EDR ID Number
B9 ENE 1/2 - 1 Mile Lower		FL WELLS	N91949
Permit Number:	9500939	District:	North West Florida
Well Depth:	3		
Owner:	USAF/Hurlburt Field		
Owner Address:	350 Tully St. Hurlburt Field, FL 32544		
Casing Depth (in Ft.):	2	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	02S	Section:	018C
Range:	24W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	2
Water Level (in Ft.):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 98	Wells City:	Hurlburt Field
Use:	Landscape Irrigation		
B10 ENE 1/2 - 1 Mile Lower		FL WELLS	N91952
Permit Number:	9500940	District:	North West Florida
Well Depth:	2		
Owner:	USAF/Hurlburt Field		
Owner Address:	350 Tully St. Hurlburt Field, FL 32544		
Casing Depth (in Ft.):	1	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	02S	Section:	018C
Range:	24W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	2
Water Level (in Ft.):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 98	Wells City:	Hurlburt Field
Use:	Landscape Irrigation		
B11 ENE 1/2 - 1 Mile Lower		FL WELLS	N23932
Permit Number:	8802653	District:	North West Florida
Well Depth:	8		
Owner:	Joe Bruner		
Owner Address:	9 Gipson Place Ft. Walton Bch., FL 32548		
Casing Depth (in Ft.):	7	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	02S	Section:	Not Reported
Range:	22W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	2
Water Level (in Ft.):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 98	Wells City:	Destin
Use:	Landscape Irrigation		

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GEOCHECK® - PHYSICAL SETTING SOURCE MAP FINDINGS

Map ID Direction Distance Elevation		Database	EDR ID Number
B12 ENE 1/2 - 1 Mile Lower		FL WELLS	N23933
Permit Number:	8602654	District:	North West Florida
Well Depth:	8		
Owner:	Joe Bruner		
Owner Address:	9 Gipson Place FL Walton Bch., FL 32548		
Casing Depth (in Ft.):	7	Job Type:	Construction
Latitude:	Not Reported	Longitude:	Not Reported
Township:	02S	Section:	Not Reported
Range:	22W	County:	OKALOOSA
Diameter (in inches):	Not Reported	Capacity (in GPM):	2
Water Level (in Ft.):	Not Reported	Drilling Method:	Auger
Well Address:	Highway 98	Wells City:	Destin
Use:	Landscape Irrigation		

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**GEOCHECK® - PHYSICAL SETTING SOURCE MAP FINDINGS
RADON**

AREA RADON INFORMATION

State Database: FL Radon

Radon Test Results

Zip	Total Buildings	% of sites >4pCi/L	Data Source
32542	12	0.0	Mandatory Non-Residential Database

Federal EPA Radon Zone for OKALOOSA County: 3

- Note: Zone 1 indoor average level > 4 pCi/L.
- : Zone 2 indoor average level >= 2 pCi/L and <= 4 pCi/L.
- : Zone 3 indoor average level < 2 pCi/L.

Federal Area Radon Information for OKALOOSA COUNTY, FL

Number of sites tested: 21

Area	Average Activity	% <4 pCi/L	% 4-20 pCi/L	% >20 pCi/L
Living Area	0.570 pCi/L	100%	0%	0%
Basement	Not Reported	Not Reported	Not Reported	Not Reported

PHYSICAL SETTING SOURCE RECORDS SEARCHED

TOPOGRAPHIC INFORMATION**USGS 7.5' Digital Elevation Model (DEM)**

Source: United States Geologic Survey

EDR acquired the USGS 7.5' Digital Elevation Model in 2002. 7.5-Minute DEMs correspond to the USGS 1:24,000- and 1:25,000-scale topographic quadrangle maps.

HYDROLOGIC INFORMATION**Flood Zone Data:** This data, available in select counties across the country, was obtained by EDR in 1999 from the Federal Emergency Management Agency (FEMA). Data depicts 100-year and 500-year flood zones as defined by FEMA.**NWI:** National Wetlands Inventory. This data, available in select counties across the country, was obtained by EDR in 2002 from the U.S. Fish and Wildlife Service.**Florida State Wetlands**

Source: Florida Department of Environmental Protection

This data was obtained by EDR in 2003 from the Florida Department of Environmental Protection.

HYDROGEOLOGIC INFORMATION**AQUIFLOW^R Information System**

Source: EDR proprietary database of groundwater flow information

EDR has developed the AQUIFLOW Information System (AIS) to provide data on the general direction of groundwater flow at specific points. EDR has reviewed reports submitted to regulatory authorities at select sites and has extracted the date of the report, hydrogeologically determined groundwater flow direction and depth to water table information.

GEOLOGIC INFORMATION**Geologic Age and Rock Stratigraphic Unit**

Source: P.G. Schruben, R.E. Arndt and W.J. Bawiec, Geology of the Conterminous U.S. at 1:2,500,000 Scale - A digital representation of the 1974 P.B. King and H.M. Beikman Map, USGS Digital Data Series DDS - 11 (1994).

STATSGO: State Soil Geographic Database

Source: Department of Agriculture, Natural Resources Conservation Services

The U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) leads the national Conservation Soil Survey (NCSS) and is responsible for collecting, storing, maintaining and distributing soil survey information for privately owned lands in the United States. A soil map in a soil survey is a representation of soil patterns in a landscape. Soil maps for STATSGO are compiled by generalizing more detailed (SSURGO) soil survey maps.

ADDITIONAL ENVIRONMENTAL RECORD SOURCES**FEDERAL WATER WELLS****PWS: Public Water Systems**

Source: EPA/Office of Drinking Water

Telephone: 202-564-3750

Public Water System data from the Federal Reporting Data System. A PWS is any water system which provides water to at least 25 people for at least 60 days annually. PWSs provide water from wells, rivers and other sources.

PWS ENF: Public Water Systems Violation and Enforcement Data

Source: EPA/Office of Drinking Water

Telephone: 202-564-3750

Violation and Enforcement data for Public Water Systems from the Safe Drinking Water Information System (SDWIS) after August 1995. Prior to August 1995, the data came from the Federal Reporting Data System (FRDS).

USGS Water Wells: USGS National Water Inventory System (NWIS)

This database contains descriptive information on sites where the USGS collects or has collected data on surface water and/or groundwater. The groundwater data includes information on wells, springs, and other sources of groundwater.

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PHYSICAL SETTING SOURCE RECORDS SEARCHED**STATE RECORDS**

Florida Wetlands Data: This data was obtained by EDR from the National Wetlands Inventory (NWI) of U.S. Fish & Wildlife Service in 1984. Data depicts wetland areas as defined by NWI.

Florida Water Well and Sample Database

Source: FL Department of Environmental Protection, Groundwater Quality Monitoring

Florida St. Johns River District Well Data

Source: St. Johns River Water Management District
Telephone: 904-329-4500

Florida Southwest District Water Use Data

Source: Southwest Water Management District
Telephone: 904-796-7211

Florida Well Construction Permitting System: Water Well Locations in Northwest Florida Water Management District

Source: Northwest Florida Water Management District
Telephone: 904-539-5999

Florida Sinkholes

Source: Department of Environmental Protection, Geological Survey
The sinkhole data was gathered by the Florida Sinkhole Research Institute, University of Florida.

RADON**State Database: FL Radon**

Source: Department of Health
Telephone: 850-245-4288
Zip Code Based Radon Data

Area Radon Information

Source: USGS
Telephone: 703-356-4020
The National Radon Database has been developed by the U.S. Environmental Protection Agency (USEPA) and is a compilation of the EPA/State Residential Radon Survey and the National Residential Radon Survey. The study covers the years 1988 - 1992. Where necessary data has been supplemented by information collected at private sources such as universities and research institutions.

EPA Radon Zones

Source: EPA
Telephone: 703-356-4020
Sections 307 & 309 of IRAA directed EPA to list and identify areas of U.S. with the potential for elevated indoor radon levels.

OTHER

Airport Landing Facilities: Private and public use landing facilities
Source: Federal Aviation Administration, 800-457-8858

Epicenters: World earthquake epicenters, Richter 5 or greater
Source: Department of Commerce, National Oceanic and Atmospheric Administration

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EXHIBIT D

DESIGN CRITERIA PACKAGE

EXHIBIT C

RENT SCHEDULE

Payment Schedule

Quarterly Payments

Year	1	\$318,000	\$79,500	1-Oct-07	\$79,500	1-Jan-08	\$79,500	1-Apr-08	\$79,500	1-Jul-08	\$79,500
	2	\$327,540	\$81,885	1-Oct-08	\$81,885	1-Jan-09	\$81,885	1-Apr-09	\$81,885	1-Jul-09	\$81,885
	3	\$337,366	\$84,342	1-Oct-09	\$84,342	1-Jan-10	\$84,342	1-Apr-10	\$84,342	1-Jul-10	\$84,342
	4	\$347,487	\$86,872	1-Oct-10	\$86,872	1-Jan-11	\$86,872	1-Apr-11	\$86,872	1-Jul-11	\$86,872
	5	\$357,912	\$89,478	1-Oct-11	\$89,478	1-Jan-12	\$89,478	1-Apr-12	\$89,478	1-Jul-12	\$89,478
	6	\$368,649	\$92,162	1-Oct-12	\$92,162	1-Jan-13	\$92,162	1-Apr-13	\$92,162	1-Jul-13	\$92,162
	7	\$379,709	\$94,927	1-Oct-13	\$94,927	1-Jan-14	\$94,927	1-Apr-14	\$94,927	1-Jul-14	\$94,927
	8	\$391,100	\$97,775	1-Oct-14	\$97,775	1-Jan-15	\$97,775	1-Apr-15	\$97,775	1-Jul-15	\$97,775
	9	\$402,833	\$100,708	1-Oct-15	\$100,708	1-Jan-16	\$100,708	1-Apr-16	\$100,708	1-Jul-16	\$100,708
	10	\$414,918	\$103,729	1-Oct-16	\$103,729	1-Jan-17	\$103,729	1-Apr-17	\$103,729	1-Jul-17	\$103,729
	11	\$427,365	\$106,841	1-Oct-17	\$106,841	1-Jan-18	\$106,841	1-Apr-18	\$106,841	1-Jul-18	\$106,841
	12	\$440,186	\$110,047	1-Oct-18	\$110,047	1-Jan-19	\$110,047	1-Apr-19	\$110,047	1-Jul-19	\$110,047
	13	\$453,392	\$113,348	1-Oct-19	\$113,348	1-Jan-20	\$113,348	1-Apr-20	\$113,348	1-Jul-20	\$113,348
	14	\$466,994	\$116,748	1-Oct-20	\$116,748	1-Jan-21	\$116,748	1-Apr-21	\$116,748	1-Jul-21	\$116,748
	15	\$481,004	\$120,251	1-Oct-21	\$120,251	1-Jan-22	\$120,251	1-Apr-22	\$120,251	1-Jul-22	\$120,251
	16	\$495,434	\$123,858	1-Oct-22	\$123,858	1-Jan-23	\$123,858	1-Apr-23	\$123,858	1-Jul-23	\$123,858
	17	\$510,297	\$127,574	1-Oct-23	\$127,574	1-Jan-24	\$127,574	1-Apr-24	\$127,574	1-Jul-24	\$127,574
	18	\$525,606	\$131,401	1-Oct-24	\$131,401	1-Jan-25	\$131,401	1-Apr-25	\$131,401	1-Jul-25	\$131,401
	19	\$541,374	\$135,343	1-Oct-25	\$135,343	1-Jan-26	\$135,343	1-Apr-26	\$135,343	1-Jul-26	\$135,343
	20	\$557,615	\$139,404	1-Oct-26	\$139,404	1-Jan-27	\$139,404	1-Apr-27	\$139,404	1-Jul-27	\$139,404
	21	\$574,343	\$143,586	1-Oct-27	\$143,586	1-Jan-28	\$143,586	1-Apr-28	\$143,586	1-Jul-28	\$143,586
	22	\$591,574	\$147,893	1-Oct-28	\$147,893	1-Jan-29	\$147,893	1-Apr-29	\$147,893	1-Jul-29	\$147,893
	23	\$609,321	\$152,330	1-Oct-29	\$152,330	1-Jan-30	\$152,330	1-Apr-30	\$152,330	1-Jul-30	\$152,330
	24	\$627,601	\$156,900	1-Oct-30	\$156,900	1-Jan-31	\$156,900	1-Apr-31	\$156,900	1-Jul-31	\$156,900
	25	\$646,429	\$161,607	1-Oct-31	\$161,607	1-Jan-32	\$161,607	1-Apr-32	\$161,607	1-Jul-32	\$161,607

EXHIBIT E

OPERATING AGREEMENT

OPERATING AGREEMENT
OKALOOSA REGIONAL AIRPORT
LEASE AGREEMENT

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OPERATING AGREEMENT
OKALOOSA REGIONAL AIRPORT
LEASE AGREEMENT

This Operating Agreement (“Operating Agreement”) is made effective as of this 30th day of July, 2007, between the Department of the Air Force (the “Government”) and Okaloosa County, Florida, (the “Lessee”) organized under the laws of the State of Florida. The Government and the Lessee may be referred to jointly as the “Parties” and each separately as a “Party.” Any capitalized terms not otherwise defined herein shall have the meaning set forth in the Lease (as defined below).

1.0 PURPOSE

This Operating Agreement implements the terms and conditions of Lease No. AFMC-EG-1-07-003 (the “Lease”) entered into on July 30, 2007, by the Government and the Lessee for purposes of the operation and maintenance of an existing airport terminal and directly related facilities on approximately 108.23 acres; and the construction, development, operation and maintenance of a fuel farm along with secure access and support facilities for rental car agencies on 22.6 acres plus a portion of the 108.23 acres.

2.0 GENERAL OBLIGATIONS OF THE PARTIES

2.1. The Lessee shall, at all times, operate and manage the Leased Premises (as defined in the Lease) and the Leased Premises Improvements, according to industry standards and consistent with the requirements of this Operating Agreement, its attachments, and the Lease. The term “Leased Premises Improvements” means the leasehold improvements described in Condition 34 of the Lease. The Lessee shall operate the project in accordance with the Lease and Design Criteria Package attached to the Lease and made a part of this Operating Agreement as if fully set forth herein.

2.2 The Lessee shall operate and maintain the Leased Premises and the Leased Premises Improvements, at no expense to the Government. The Government shall in no case be responsible for or pay or reimburse the Lessee for costs associated with the operation and maintenance of the Leased Premises, or for any tenant defaults.

2.3 The Lease incorporates this Operating Agreement by reference. In the event of any inconsistency between the provisions of the Lease and those of this Operating Agreement, the provisions of the Lease will govern.

3.0 TERM

This Operating Agreement shall be effective from the date of execution by the Parties and shall terminate upon the expiration or earlier termination of the Lease.

4.0 REPRESENTATIVES

4.1 The authorized representative for and amending this Operating Agreement on behalf of the Government is the Installation Commander, Eglin AFB, Florida ("Commander"). Except as otherwise specifically provided, any reference in the Operating Agreement to "Commander" shall include his or her authorized representative and any duly appointed successor.

4.2 The authorized representative for executing and amending this Operating Agreement on behalf of the Lessee is the Director, Okaloosa Regional Airport, Okaloosa County, Florida.

4.3 The Lessee will appoint a full-time, readily available representative to serve as the single point of contact ("SPOC"). If the SPOC is not on-site, the SPOC will reside within thirty (30) minutes travel time from the Eglin AFB. Any such SPOC will be available in an on-call status twenty-four (24) hours a day.

4.3.1 Alternate contacts will be designated to cover those instances when the SPOC cannot be reached.

4.3.2 The Lessee will appoint a readily available representative to serve as the point of contact for security ("Security"). The Security contact will be responsible for coordination with the Government on all matters involving security of the installation including, but not limited to, issuance and withdrawal of identification cards and/or stickers.

4.3.3 The appointments of a primary and alternate SPOC, and security contact and any changes, including full names, addresses, work and home telephone numbers, will be provided in writing to the Commander.

5.0 MANAGEMENT REVIEW COMMITTEE (MRC)

5.1 The Government and the Lessee shall establish a Management Review Committee ("Committee") to discuss any issues relating to the provisions of this Operating Agreement. The Committee shall consist of the Commander or his or her designee as the Chairman, and at least the following persons, or their designees or successors, as members: Lessee's local senior manager, Director, Okaloosa Regional Airport, Okaloosa County, Florida.

5.2 Throughout the Lease Term the Committee shall meet at least annually, unless waived by all of the members, and from time to time at the call of the Chairman or the Lessee. The agenda for each meeting shall be set by the Chairman at least seven (7) days prior to the meeting, except for unscheduled emergency meetings called on less than ten (10) days notice. Members will submit agenda items to the Chairman at least fourteen (14) days in advance of any scheduled meeting.

5.3 Members will serve on the Committee without additional compensation, and any and all expenses incident to travel and resolution of issues will be borne by the Lessee, with respect to its representatives, and Eglin AFB, with respect to its representatives.

5.4 Minutes of each meeting will be prepared by the Chairman and distributed to the Committee members.

6.0 ACCESS TO LEASED PREMISES

6.1 The Leased Premises and Leased Premises Improvements located thereon are subject to periodic inspection by Eglin AFB security personnel in conjunction with their official duties. The Lessee will cooperate in these inspections to the extent required to ensure that law enforcement activities are not hindered and that Eglin AFB security requirements are met.

6.1.1 The Lessee, its subtenants, and their officers, agents, employees, independent contractors, and subcontractors must obtain identification passes from Eglin AFB security police before admission to Eglin AFB. Vehicles of such personnel also must be registered with and issued passes by Eglin AFB security police before they may be driven onto Eglin AFB. Such vehicles are subject to inspection by Eglin AFB security police, and, before passes will be issued, drivers must present evidence that they comply with the registration and minimum insurance requirements of the state in which their vehicle is registered.

6.1.2 Pursuant to Condition 27 of the Lease, the Government retains the right to refuse access to Eglin AFB, including the Leased Premises, by the Lessee, its subtenants, and their officers, agents, employees, independent contractors, and subcontractors during a national emergency or for other compelling reasons as determined by the Commander in his sole discretion.

6.2 [Reserved]

6.3 Eglin AFB test mission activity may pose a danger to personnel within the Leased Premises. If such activity is planned, Eglin AFB will notify Okaloosa County of the requirement to evacuate the Leased Premises. Upon notification, County personnel will evacuate until additional notice is provided. Okaloosa County will provide the Chief, Real Estate Flight, 96th Civil Engineer Group, an emergency phone number in the event contact is required.

7.0 TERMINATION AND MODIFICATION

7.1 This Operating Agreement shall continue in full force and effect during the Lease Term. This Operating Agreement may be amended or modified only by mutual agreement of the Government and Lessee in a writing signed by both Parties.

7.2 This Operating Agreement may be amended or modified at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of the respective Parties.

7.3 Notwithstanding Paragraph 4.1 above, any amendment or modification to this Operating Agreement that may materially affect the operation or management of the Leased Premises shall not be effective until it is approved by an official of the Government authorized to execute an amendment to the Lease.

8.0 NOTICES

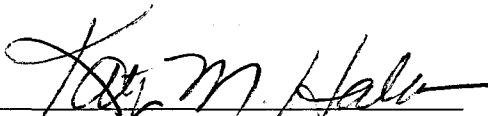
All notices required under this Operating Agreement shall be governed by Condition 20 of the Lease.

9.0 DISPUTES

Disputes under this Operating Agreement shall be governed by Condition 23 of the Lease.

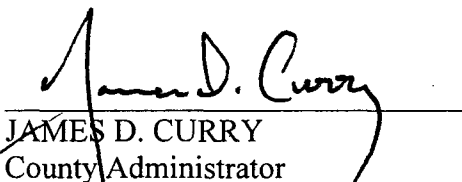
IN WITNESS WHEREOF, the United States of America has executed this Lease effective as of July 30, 2007.

THE UNITED STATES OF AMERICA,
acting by and through the Secretary of the Air Force



KATHRYN M. HALVORSON
Director
Air Force Real Property Agency

OKALOOSA COUNTY, FLORIDA



JAMES D. CURRY
County Administrator

EXHIBIT F

ESCROW AGREEMENT

**ESCROW AGREEMENT
FOR
IN-KIND CONSIDERATION ACCOUNT**

THIS ESCROW AGREEMENT ("Agreement") is made effective as of the 30th of July, 2007, between **THE UNITED STATES OF AMERICA** acting by and through **THE SECRETARY OF THE AIR FORCE** (the "Secretary" or the "Government") and **OKALOOSA COUNTY**, a political subdivision created under the laws of the State of Florida ("Okaloosa County" or the "County"), with its principal offices located at 101 East James Lee Boulevard, Crestview, Florida, 32457 and **SUNTRUST BANK** ("Escrow Agent").

RECITALS

A. The Air Force has granted to the County a Lease of even date herewith (the "Lease").

B. As consideration for the Lease, the County is to pay the Air Force rent as set forth in the Rent Schedule of the Lease, which amounts the Air Force and the County have agreed to escrow and have disbursed in accordance with the terms and conditions of the Lease and this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Establishment of Escrow; Release of Funds. The County will on October 1st of each year beginning on October 1, 2007 until July 1, 2032 deliver quarterly to the Escrow Agent the sums identified in the Rent Schedule and such funds shall upon receipt become the "Escrow Funds." At all times during the term of this Agreement, the Escrow Agent shall hold the Escrow Funds in an interest-bearing account entitled and described as Eglin AFB – Okaloosa Regional Airport Escrow Account ("Escrow Account"), and all interest earned on this Account shall be added to and shall be deemed to be a part of the Escrow Account for all purposes. The Escrow Funds shall be owned and held by the Escrow Agent solely for the purposes specified herein. The County acknowledges and agrees that the Escrow Funds may be made available and disbursed as payment for In-Kind Consideration provided by or on behalf of the County, or any subsidiary or affiliate of the County for purposes of this Agreement and as the context shall so require, pursuant to any one or more Site Work Agreements (defined in Section 3, below) entered into between the Government and the County. All Rent payments deposited by the County into escrow with Escrow Agent shall constitute payment by the County under the Lease as of the date paid to the Escrow Agent and shall be deemed, constitute and be credited against payments of Rent amounts required to be made by the County under the Lease. The Government and the County shall have only those rights in or to the Escrow Account (defined in Section 3, below) and the Escrow Funds (defined in Section 3, below) deposited and held in and/or disbursed from the Escrow Account from time to time, as are expressly provided herein.

Upon receipt of written direction by the County and the 96th Civil Engineering Group Commander (the "Commander"), which shall be signed by both parties, the Escrow Agent shall

disburse the Escrow Funds to the individuals or entities who have provided in-kind goods or services as identified by the Commander in the amounts specified by the Commander. The County will pay solely from the Escrow Funds all fees charged by the Escrow Agent in connection with the services provided for in this Agreement.

2. Duties of Escrow Agent. The duties of Escrow Agent under this Agreement are not discretionary, and are limited specifically to the duties expressly stated herein. Escrow Agent shall not be responsible and liable for the sufficiency, correctness, genuineness and validity of any certification, release or other instrument tendered to it hereunder or with respect to the form or execution of the same, or the identity, authority, or rights of any person executing or depositing the same. Escrow Agent shall be protected in acting upon any certification, release, waiver, consent, receipt of other paper or document believed by Escrow Agent to be genuine and to be signed by the proper party or parties. Escrow Agent shall not be liable for any error of judgment or for any act done or steps taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except its own willful misconduct. Escrow Agent may consult with legal counsel in the event of any dispute or question as to the construction of the Escrow Agent's duties hereunder, and the Escrow Agent shall incur no liability and shall be fully protected, in acting in accordance with the opinion and instructions of such counsel. Escrow Agent need not take notice of the provisions of any agreement, documents or contracts other than this Escrow Agreement and the certifications, waivers and other documents to be tendered to it as a condition to any payment out of the Escrow Account, or the instructions or demands of any other person or entity, whether written or oral. If the Escrow Agent is uncertain as to its duties or actions hereunder, or receives conflicting instructions or notices from the County and the Government, or instructions or notices which, in the reasonable opinion of the Escrow Agent, are in conflict with any of the provisions of this Agreement, the Escrow Agent shall be entitled to take any of the following courses of action: (i) hold the Escrow Funds as provided above in this Agreement and decline to take further action until the Escrow Agent receives joint written direction from the County and the Government or an order of a court of competent jurisdiction directing the disbursement of the Escrow Funds, in which case the Escrow Agent shall then disburse the Escrow Funds in accordance with such direction; (ii) in the event of litigation between the County and the Government, deliver the Escrow Funds and all interest thereon to the clerk of any court in which such litigation is pending; or (iii) deliver the Escrow Funds and all interest thereon to a Federal court of competent jurisdiction in the State of Florida, and commence an action for interpleader in such court.

3. Disbursements of Escrow Funds.

3.1 Purposes for Which Escrow Funds May Be Used. The Government and the County intend and agree that the Escrow Funds may be made available and disbursed to either (a) the Government pursuant to and in accordance with the provisions hereof, or (b) the County as payment for In-Kind Consideration provided by the County pursuant to any one or more Site Work Agreement(s). For purposes hereof, the term "Site Work Agreement" shall mean any agreement entered into between the Government and the County, pursuant to which the County agrees to undertake, perform and complete Site Work in accordance with and as described therein, which Site Work may (but shall not be required to) include, without limitation, development, construction and management services in connection with improvements to be constructed on the Lease Premises. "Site Work" shall mean In-Kind Consideration provided by the County to the Government and shall consist of and include any work or services provided, undertaken and performed by the County on or with respect to Eglin Air Force Base pursuant to any Site Work Agreement, including without limitation new construction of facilities on and within Eglin Air Force Base, up-grade of existing facilities on and within Eglin Air Force Base, repair and maintenance of existing facilities, property management services, engineering services, master planning services, landscaping services, waste management, perimeter fence upgrades, and security upgrades and other services as provided for in 10 U.S.C. §2667 (c)(1).

3.2 Disbursement of Escrow Funds in Payment of Rent. As provided above, it is the intent of the parties that this Agreement facilitate the collection of the Rent due under the Lease by "in kind" payments as authorized by Section 2667 and as provided in the Lease. The Government shall enter into good faith negotiations with the County from time to time in order to reach agreement on Site Work that will constitute appropriate In-Kind Consideration and the value of such In-Kind Consideration. Notwithstanding anything contained herein to the contrary, at the written election of the Government, any Escrow Funds held by Escrow Agent in the Escrow Account shall be paid from the Escrow Account to the Government within fifteen (15) days after the receipt by the County and Escrow Agent of written notice from the Government of such election; provided that such cash payments shall not exceed the balance of the Escrow Funds then held in the Escrow Account less any portion of Escrow Funds required to be disbursed to the County as payment for any previously agreed to In-Kind Consideration. Cash payments of Escrow Funds required to be disbursed to the Government pursuant to this Section 3.2 shall be made by check payable upon written direction of the 96th Civil Engineering Group Commander ("the Commander"), all of which checks shall include the lease number assigned to the Lease to ensure proper processing by the Government.

3.3 Disbursement of Escrow Funds to Pay for In-Kind Consideration. The exact form of In-Kind Consideration to be provided by the County and for which the Escrow Funds may be used to pay the County shall be mutually determined by the Government and the County and set forth in a Site Work Agreement executed by both the Government and the County. All In-Kind Consideration shall be provided by the County; provided, however, that the County shall have the right to engage contractors and sub-contractors to perform and complete the respective aspects and components of the Site Work to be performed by the County under any one or more Site Work Agreements. If, in connection with negotiating any Site Work Agreement, the County and the Government have a dispute regarding how to price any construction work that is provided directly by the County and not by a subcontractor of the County, then the County shall

either competitively bid such work to determine the appropriate price or agree to subcontract for the provision of such work; it being understood, however, that the executed Site Work Agreement (and not this Agreement) shall specify the price of such work or the method agreed upon for determining the pricing. Under no circumstances shall the County be required to provide In-Kind Consideration in excess of the Escrow Funds then available for payment to the County. The County agrees to use Escrow Funds disbursed from the Escrow Account as compensation pursuant to the applicable Site Work Agreement for providing In-Kind Consideration. In-Kind Consideration shall be requested by the Government and provided by the County during any Lease Year (defined in the Lease) up to the amount of all Lease Payments paid into the Escrow Account in respect of such Lease Year; provided, however, at the Government's election, Escrow Funds held in the Escrow Account that have not been expended for In-Kind Consideration in respect of any Lease Year may be carried over to and made available for payment of In-Kind Consideration provided by the County in subsequent Lease Year(s). In no event shall the County be required to provide In-Kind Consideration with a value (as determined by agreement between the Government and the County) in excess of the total amount of Escrow Funds then held in the Escrow Account.

3.4 Disbursement Procedures for In-Kind Consideration. The County shall have the right, exercisable not more frequently than once every thirty (30) days, to submit to Escrow Agent (with a simultaneous copy to the Government) a Draw Request (hereinafter defined) for payment of any amounts due and payable under any Site Work Agreement in connection with the completion or partial completion of any Site Work provided by the County as In-Kind Consideration. Within ten (10) business days after receipt of a properly prepared and delivered Draw Request, the Government shall grant or withhold its approval, with a statement of the reasons for withholding such approval, to the County and Escrow Agent simultaneously. Escrow Agent shall disburse to the County from Escrow Funds then held in the Escrow Account the amount to which the County is entitled pursuant to the Draw Request, as long as the Government has granted approval to Escrow Agent. For purposes of this Agreement, the term "Draw Request" shall mean and include (a) a written request from the County for a disbursement from the Escrow Account of funds equal to the amount to which the County is entitled under the applicable Site Work Agreement in connection with the completion or partial completion of any Site Work provided by the County as In-Kind Consideration pursuant to one or more Site Work Agreement(s), which request shall include the document number assigned to the applicable Site Work Agreement(s) to ensure proper processing by the Government, and (b) a statement from the County that the conditions, under the applicable Site Work Agreement, to payment of the amount requested in the Draw Request have occurred.

3.5 Accounting. Escrow Agent shall maintain complete and accurate records of the Lease Payments deposited into the Escrow Account, the interest earnings thereon, and the disbursements of Escrow Funds out of the Escrow Account for the payment of In-Kind Consideration provided by the County and, to the extent applicable, cash payments disbursed from Escrow Funds to the Government pursuant to subparagraph 3.2, above. Not later than 5 business days following the end of each October, and not more than 5 business days after receipt of a written request from the Government, Escrow Agent shall submit to the Government and the County a report for the preceding fiscal year ending September 30 setting forth a detailed description of (a) the Lease Payments paid into the Escrow Account during such period and interest earnings thereon, (b) Escrow Funds disbursed to the County in respect to In-Kind

Consideration provided during such period and disbursed to the Escrow Agent in payment of its fees hereunder, (c) Escrow Funds disbursed to the Government during such period pursuant to Section 3.2, above, and (d) any balance remaining in the Escrow Account.

4. Notices. All notices, communications and statements to be given by the parties under this Agreement will be given, furnished or served by facsimile, by personal delivery, by United States certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight carrier and addressed to the parties at the following addresses:

Air Force: Air Force Real Property Agency
 1700 N. Moore St., Suite 2300
 Arlington, VA 22209-2802
 FAX: (703) 696-0981
 Attn: Director

 and 96th Civil Engineering Group
 Eglin AFB, FL 32542-5000
 Attn: Commander

the County: Okaloosa County Regional Airport
 1701 State Road 85 N
 Eglin AFB, FL 32542
 FAX: (850) 651-7164
 Attn: Director

Escrow Agent: SunTrust Bank
 Attn: Gloria Reyes
 225 East Robinson Street, Suite 250
 Orlando, FL 32801

All notices, communications or statements under this Agreement shall be deemed as having been received at the time that the same shall have been personally delivered with evidence of receipt, three (3) business days after the same shall have been deposited in the United States mail as provided in this Section, one (1) business day after delivery by an overnight carrier, or one (1) business day after the date of transmission by facsimile if there is evidence of receipt prior to 5 p.m. on a regular business day, or if there is evidence of receipt after 5 p.m. on a regular business day or evidence of receipt on any day other than a regular business day, then the faxed notice shall be deemed as having been received two (2) business days following transmission by facsimile. Should the address of any party for the purposes herein change, such party shall give written notice to the others of the new address.



Memorandum

To: All
From: Gloria Reyes
Date: August 2, 2007
Subject: New Address

Please note that as of August 24, 2007 our new mailing address is as follows:

SunTrust Bank, Inc.
200 S. Orange Avenue
(SOAB – 8th floor: MC 2082)
Orlando, Florida 32801

5. The Escrow Agent.

5.1 Appointment of Escrow Agent. The Government and the County hereby appoint SunTrust Bank, Orlando, Florida, as Escrow Agent under this Agreement and by execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary, to execute and perform its duties hereunder.

5.2 Liability of Escrow Agent. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement.

5.3 Successor Escrow Agent. (a) The Escrow Agent, at the time acting hereunder, may at any time resign and be discharged from the trusts hereby created by giving not less than sixty (60) days written notice to the Government and the County, specifying the date when such resignation will take effect, but no such resignation shall take effect unless a successor Escrow Agent shall have been appointed as hereinafter provided and such successor Escrow Agent shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

(b) The Escrow Agent may be removed at any time by an instrument in writing, executed by the Government, such instrument to be filed with the County, not less than 60 days before such removal is to take effect as stated in such instrument.

(c) In the event the Escrow Agent hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Agent shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Government, with the approval of the County.

(d) In the event that no appointment of a successor Escrow Agent shall have been made pursuant to the foregoing provisions of this Section within sixty (60) days after the written notice of removal or resignation or other act causing the need for appointment of a successor Escrow Agent occurs, the retiring Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent and such court may thereupon, after such notice, if any, as it shall deem proper, appoint such successor Escrow Agent.

(e) No successor Escrow Agent shall be appointed unless such successor Escrow Agent shall be a corporation with trust powers organized under the banking laws of the United States or any state, and shall be bound by this Agreement and have at the time of appointment capital and surplus of not less than \$25,000,000 or is a member of a bank group or bank holding company with aggregate capital and surplus of not less than \$25,000,000.

(f) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Government and the County, an instrument in writing accepting such appointment hereunder and thereupon such successor Escrow Agent, without any further act, deed or conveyance, shall be bound by this Agreement and become fully

vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Agent or the Government or the County, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Agent shall deliver all securities and moneys held by it hereunder to its successor; provided, however, that before any such delivery shall be made the fee of the retiring or removed Escrow Agent set forth in Section 5.4 hereof if fully paid in advance shall be pro rata refunded by such Escrow Agent to the Government and the Government shall reimburse the retiring or removed Escrow Agent for any expenses it has incurred. Such proration shall be computed based upon the time such Escrow Agent served as such compared to the period from the date hereof until the final payment is due under the Lease as provided in the Rent Schedule. Should any transfer, assignment or instrument in writing from the Government or the County be required by any successor Escrow Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Agent, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Government or the County.

(g) Any corporation into which the Escrow Agent, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent or any successor to it shall be a party shall be the successor Escrow Agent under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

5.4 Payment to Escrow Agent. The Escrow Agent shall be entitled to a fee for its services rendered hereunder of \$1200 payable on execution and delivery hereof by the County and \$1200 payable annually thereafter during the term of this Agreement. Payment shall be made from the Escrow Account if funds are available therein and shall be paid by the County if funds are not available in the Escrow Account.

5.5 Indemnification. (a) To the extent permitted by law, the Government shall indemnify and exonerate, save and hold harmless the County and the Escrow Agent, their agents and employees from and against any and all claims, demands, expenses (including counsel fees and expenses) and liabilities, obligations, losses, damages, penalties, claims, actions and suits of any and every nature which the County or the Escrow Agent may sustain or incur or which may be asserted against the County or the Escrow Agent as a result of any action taken or omitted by the County or the Escrow Agent hereunder without bad faith, negligence or willful misconduct.

6. Waiver. Any waiver by any party hereto of any breach of any term or condition of this Agreement shall not operate as a waiver of any other breach of such term or condition or of any other term or condition, nor shall any failure to enforce such provision hereof operate as waiver of such provision or of any other provision hereof, nor constitute nor be deemed a waiver or release of any other party for anything arising out of, connected with or based upon this Agreement.

7. Successors and Assigns. No party hereto may assign, transfer, pledge, hypothecate or otherwise dispose of this Agreement, or any interest herein without the prior written consent of the other parties. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their permitted successors and assigns.

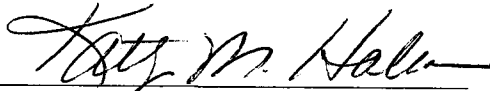
8. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes any and all prior or contemporaneous written or oral agreements between the parties hereto with respect to the subject matter hereof. This Agreement may be executed in any number of counterparts with the same effect as if the parties hereto had signed the same document. All counterparts will be construed together and shall constitute one agreement.

9. Severability. In the event that any provision of this Agreement violates any applicable statute, ordinance or rule of law, such provision shall be ineffective to the extent of such violation without invalidating any other provision herein.

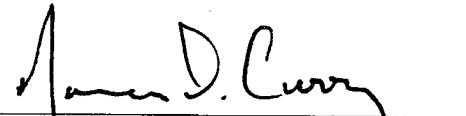
10. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the United States.

THIS ESCROW AGREEMENT is executed and delivered as of the date first above written.

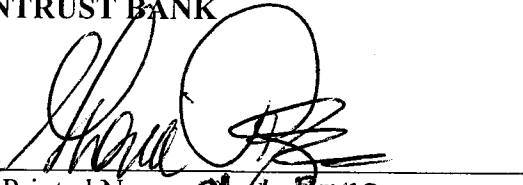
THE UNITED STATES OF AMERICA,
by the Secretary of the Air Force

By: 
KATHRYN M. HALVORSON
Director
Air Force Real Property Agency

OKALOOSA COUNTY, FLORIDA

By: 
JAMES D. CURRY
County Administrator

SUNTRUST BANK

By: 
Printed Name: Gloria Reyes
Title: Assistant Vice President



DEPARTMENT OF THE AIR FORCE
HEADQUARTERS 96TH AIR BASE WING (AFMC)
EGLIN AIR FORCE BASE FLORIDA

MEMORANDUM FOR HQ AFMC/A7C (Mr. Pennino)
4225 Logistics Avenue, Room N135
Wright-Patterson AFB, OH 45433-5745

FROM: 96 ABW/CC
401 Van Matre Ave, Suite 106
Eglin AFB, FL 32542-6802

SUBJECT: Proposed Amendment 1 for Expansion of the Okaloosa Regional Airport (ORA)

1. Okaloosa County, Florida, began operation of a regional airport on Eglin AFB property on 28 August 1972, under Lease AFSC-ADTC-73-1. On 26 February 2001, Lease AFMC-EG-1-01-004, was executed granting Okaloosa County 108.23 acres of land, more or less, to operate and maintain an airport terminal and directly related facilities. This lease superceded and replaced Lease AFSC-ADTC-73-1.

2. On 7 January 2004, the Okaloosa County Board of County Commissioners, Crestview, Florida, requested an additional 22.60 acres of Eglin AFB land, more or less, to expand the ORA. If executed, Proposed Amendment 1 at Attachment 1 will grant the additional 22.60 acres to Okaloosa County bringing the total acreage utilized by the airport to approximately 130.83. In support of this request and in accordance with the provisions of AFI 32-9003, paragraph 1.8. at Attachment 2, the following information is provided:

a. As noted in Okaloosa County's request for additional land, the Federal Aviation Administration (FAA) required ORA to conduct a vulnerability assessment of its configuration. A security related finding in the FAA report advised the construction of a separate airport entrance for large commercial delivery vehicles along with relocating the rental car service and storage area, the air cargo facility and the fuel farm. These findings are endorsed by the U.S. Department of Homeland Security, Transportation Security Administration. Proposed Amendment 1 will enable the ORA to satisfy the security concerns identified in the FAA vulnerability assessment.

b. The county's request for the additional land was evaluated by the Air Armament Center's Encroachment Committee and given conceptual approval on 27 February 2004. The Physical Condition Report denotes the land is vacant and in excellent condition (Attachment 3). A drawing and description delineating the proposed expansion area is at Exhibit A of the Proposed Amendment.

c. It was determined granting the additional 22.60 acres of land will have no adverse impact on the Eglin Air Force Base mission and is safe for non-military purposes. This parcel cannot be declared excess, as it is an integral part of the Eglin Air Force Base reservation. It is compatible

with air installation compatible use zone guidelines, does not fall within the flood plain and the proposed activity is consistent with the State Coastal Zone Management Plan. The property is not listed on, nor does it qualify for, the National Register of Historic Places. No wetlands are involved.

d. The AF Form 813, Request for Environmental Impact Analysis, is at Attachment 4. Special conditions, limitations and restrictions are contained within the Environmental Assessment (EA) located at Attachment 5. AFMC revisions to the final EA are at Attachment 6, the Finding of No Significant Impact (FONSI) is at Attachment 7 and the Environmental Baseline Survey is at Exhibit B of the Proposed Amendment.

3. Request AFMC/A7C forward this proposed amendment to SAF/IEIR for execution on behalf of the U.S. Government. This action has been reviewed by 96 ABW/JAV and has also been reviewed for environmental concerns in accordance with AFI 32-7006.

4. If you have questions concerning this matter, please contact Mr. Steve Olson, 96 CEG/CERR, at (850) 882-1350.



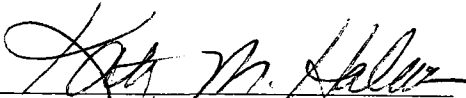
DEAN R. CLEMONS, Colonel, USAF
Commander

Attachments:

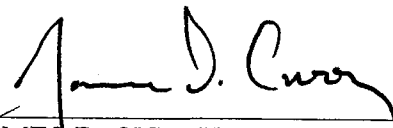
1. Proposed Amendment 1 w/Exhibits
2. AFI 32-9003, Para 1.8.
3. Physical Condition Report
4. AF Form 813, 11 January 2005
5. EA, June 2006
6. AFMC Revisions to Final EA, June 2006
7. FONSI, 16 June 2006

THIS ESCROW AGREEMENT is executed and delivered as of the date first above written.

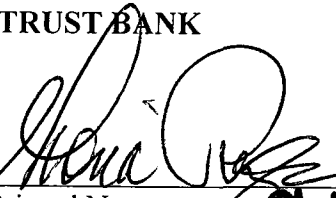
THE UNITED STATES OF AMERICA,
by the Secretary of the Air Force

By: 
KATHRYN M. HALVORSON
Director
Air Force Real Property Agency

OKALOOSA COUNTY, FLORIDA

By: 
JAMES D. CURRY
County Administrator

SUNTRUST BANK

By: 
Printed Name: **Gloria Reyes**
Title: *Assistant Vice President*



DEPARTMENT OF THE AIR FORCE
WASHINGTON, DC

OFFICE OF THE ASSISTANT SECRETARY

13 MAY 2003

MEMORANDUM FOR AFRPA/DR

FROM: SAF/IEI

SUBJECT: SAF/IEI Re-delegations of Authorities Pursuant to Secretary of the Air Force Order (SAFO) 700.7, Real Property Use and Disposal

The authorities listed below, as re-delegated by the Assistant Secretary of the Air Force (Installations, Environment, and Logistics) to the Deputy Assistant Secretary of the Air Force (Installations) by memorandum dated April 25, 2003, and pursuant to SAFO 700.7, Real Property Use and Disposal, dated March 10, 2003, are hereby further re-delegated to the Director and Deputy Director, Air Force Real Property Agency, subject to the limitations as indicated:

1. Authority to Provide Support to National Veterans Organizations under paragraph 1b of SAFO 700.7 (10 USC § 2551).

This authority may be further re-delegated within the Air Force Real Property Agency as determined by the Director. This authority may be further re-delegated by the Director to the MAJCOM/CE, with the authority to re-delegate to the installation commander with copies provided to this office.

2. Authority to Provide Shelter for Homeless under paragraph 2b of SAFO 700.7 (10 USC § 2556).

This authority may be further re-delegated within the Air Force Real Property Agency as determined by the Director. This authority may be further re-delegated by the Director to the MAJCOM/CE, with the authority to re-delegate to the installation commander with copies provided to this office.

3. Authority to Maintain Defense Access Roads under paragraph 3b of SAFO 700.7 (10 USC § 2661(b)(2)).

This authority may be further re-delegated within the Air Force Real Property Agency as determined by the Director. This authority may be further re-delegated by the Director to the MAJCOM/CE, with the authority to re-delegate to the installation commander with copies provided to this office.

4. Authority to Lease Non-excess Real Property under paragraph 5b of SAFO 700.7 (10 USC § 2667).

This authority may be further re-delegated within the Air Force Real Property Agency as determined by the Director. This authority may be further re-delegated by the Director to the