

**SEMINOLE COUNTY GOVERNMENT
AGENDA MEMORANDUM**

SUBJECT: Supervisor of Elections Lease

DEPARTMENT: Administrative Services **DIVISION:** Support Services

AUTHORIZED BY: Jamie Croteau **CONTACT:** Meloney Lung *ML* **EXT.** 5256

Agenda Date <u>5/13/03</u> Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Work Session <input type="checkbox"/> Briefing <input type="checkbox"/> Public Hearing – 1:30 <input type="checkbox"/> Public Hearing – 7:00 <input type="checkbox"/>

MOTION/RECOMMENDATION: Approve and authorize Chairman to execute lease agreement with Sanford Airport Authority for Supervisor of Elections lease space.

BACKGROUND:

At the 4/08/03 BCC meeting, Board directed staff to negotiate the lease agreement with the Sanford Airport Authority for the Supervisor of Elections lease space.

County staff, the Supervisor of Elections and the Sanford Airport Authority worked together to design a floor plan that was efficient while meeting the Supervisor of Elections requirements. The total square footage of the space is 18,168. The lease rate is \$8.09sf which includes custodial services, HVAC maintenance, pest control, and landscape/lawn maintenance for an annual payment of \$146,980. The lease rate will remain the same for first five years of the lease and will increase by 3% in years 6 through 10. The lease has a 10 year term with two – five year renewals.

The Sanford Airport Authority requested that we use their standard lease; the only major deviation from the County’s standard lease is a service charge of \$29.00 or 1 ½% per month, whichever is greater, if the lease payment is more than 10 days late.

Attached is a copy of the agreement and floor plan of the lease space.

Reviewed by:
Co Atty: _____
DFS: _____
Other: _____
DCM: _____
CM: _____
File No. <u>RASSS01</u>

LEASE NO. 2003-17

THIS LEASE is made and entered into this date _____, 2003, by and between the SANFORD AIRPORT AUTHORITY, a dependent special district of the City of Sanford, Florida, a municipal corporation of Seminole County, Florida, hereinafter called the LESSOR, and SEMINOLE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as LESSEE.

WITNESSETH:

For and in consideration of the rents, covenants, agreements and conditions hereinafter reserved, made and entered into, it is agreed, subject to the concurrence of the Federal Aviation Administration, by and between the parties hereto as follows:

The LESSOR, on consideration of the rents, covenants, agreements and conditions hereinafter reserved, made and entered into, on the part of said LESSEE, to be paid, performed and observed, has leased and does by these presents demise, lease and rent unto LESSEE and LESSEE does hereby hire of and from LESSOR, the land, buildings and facilities lying and being in the County of Seminole, State of Florida, and being a part of the premises usually known and designated as the Orlando Sanford International Airport property, said real property, and the appurtenances thereto, being specifically described as follows:

18,168 sf office/warehouse building, to be constructed by LESSOR and located at 1500 E. Airport Boulevard, Sanford, FL 32772 ("Premises"), and as more fully shown on Exhibit A attached hereto.

1. TERM OF LEASE

This Lease shall have a ten (10) year term, commencing on the date of issuance of the certificate of occupancy for the above described building ("Premises") ("Commencement Date"), upon the terms, conditions, covenants and stipulations herein set forth. On the Commencement Date, LESSOR shall deliver Premises for possession by LESSEE, which Premises shall have been improved in a good and workmanlike manner substantially in accordance with Exhibit A. LESSEE shall, within five (5) business days after Commencement Date, prepare a punchlist (to be signed by both LESSOR and LESSEE) of all items to be completed and/or corrected (the "Punchlist Items") based on LESSEE's inspection of the Premises with LESSOR or LESSOR's representative(s) within said five (5) business day period. LESSOR shall correct the Punchlist Items within thirty (30) days after the Commencement Date, or within such time as is reasonable, if the Punchlist Items cannot reasonably be corrected within said thirty (30) day period.

2. OPTIONS TO RENEW

Subject to the restrictions contained in Section 332.08(3), Florida Statutes, and subject to the terms of the City Airport Lease between the LESSOR and the City of Sanford, FL, dated August 13, 1996, as amended, the LESSEE shall have the right and option to extend this Lease for two (2) successive terms of five(5) years each, commencing at the expiration of the initial term of this Lease. The option to renew may be exercised by LESSEE, at LESSEE'S option at any time after the

Commencement Date, provided that LESSEE is in full compliance with all the covenants and agreements contained herein, and gives written notice of its election to exercise the option to extend at least two (2) months prior to the end of the current lease term, upon such terms and conditions as are contained in this lease except that: a) the rent payable during any extended term shall be the fair rental value of the Premises as determined by the LESSOR, provided the annual amount of increase shall not exceed 3% each year; and b) that the LESSOR may include as additions or exclude as deletions such provisions as are customarily in LESSOR'S standard lease then in effect during the year prior to the renewal date. LESSOR covenants, that upon payment by the LESSEE of the rents hereinafter reserved and upon the full performance of or compliance with all the covenants and agreements by LESSEE on its part to be performed and complied with hereunder, the LESSEE shall peaceably have and enjoy the Premises, appurtenances, facilities, rights and privileges in accordance with the terms hereof.

3. RENTAL

A. LESSEE agrees to pay to the LESSOR as rent, for the use of the demised premises and facilities, for and during the first five (5) years of the Lease term, the annual and monthly sums, calculated as follows:

Building	18,168 sf @ \$6.65 sf	=	\$ 120,817.20
Services	18,168 sf @ \$1.44 sf	=	\$ 26,185.00
	Total Annual	=	\$ 147,002.20
	Monthly	=	\$ 12,250.18
	Total Monthly	=	\$ 12,250.18

plus applicable state and local taxes. Monthly rental payments shall be due and payable on the first of the month, without demand, and shall be considered overdue after 5:00 PM on the tenth of the month. A service charge of \$29.00 or 1.5% per month (18% per annum), whichever is greater, will be assessed on overdue balances. Rents shall be defined to include all building and/or land rents, late fees, taxes, attorney fees or any other monetary obligation from Lessee to Lessor under this lease agreement, including any advances made by Lessor, whether in the form of labor, services, materials or cash.

B. The rent shall be adjusted annually in years six (6) to ten (10) of the Lease term by three percent (3%), effective upon the Lease anniversary date.

C. In addition thereto, during the term of this Lease and any renewal or extension thereof, LESSEE shall pay any and all taxes, assessments, or levies of any and every kind or nature charged, levied or assessed against the leased premises, or upon or against any items of personalty, equipment, fixtures, or improvements thereon, each and every when due and payable according to law, before any thereof become delinquent and before any interest attaches. Nothing herein contained shall prevent the LESSEE from contesting the validity of any taxes or assessments levied against said land or other property; provided that in the event LESSEE contests any such taxes or assessments, upon demand by LESSOR, LESSEE shall give to LESSOR adequate security against loss by reasons of such contest. In the event the authority levying, assessing or charging any of the taxes, levies or assessments referred to herein does not forward the notice of such taxes, levies or assessments directly to the LESSEE, the LESSOR shall deliver such notice to LESSEE ten (10) days after the LESSOR receives the same.

4. IMPROVEMENTS AND ALTERATIONS

A. LESSEE acknowledges that it has examined the building plans herein attached and accepts the same, without obligation on the part of LESSOR to make any improvements, modification, repair or otherwise, that are not on said plans. Upon the express written consent of the President/CEO and the concurrence of the Federal Aviation Administration, or its successors, LESSEE may make such alterations, improvements or additions to the demised premises as it deems necessary, at its sole expense, provided, however, that any such alteration, addition, or improvement shall be so made and conducted as to meet all requirements of LESSOR, State and the Federal Aviation Administration, or its successors. Any such improvements which shall be erected or constructed in accordance herewith shall be made and done only under the supervision of LESSOR and at all stages of construction and at all times shall be subject to LESSOR'S approval. All such improvements to the freehold, hereinafter made or placed on the demised premises by LESSEE shall immediately upon being made or placed thereon become the property of LESSOR and shall remain upon and be surrendered with the demised premises as a part thereof at the termination, by lapse of time or otherwise, of the term hereby granted; and the LESSEE shall not enter into any agreement whatsoever, nor do or permit the doing of anything which would grant, constitute or impose any title to or lien upon any such building or other improvements, prior or superior to the title thereto of LESSOR. LESSEE further covenants and agrees that in making or constructing any such improvements, that the LESSEE shall and will save the LESSOR harmless from injury and damage to any person, firm or corporation whatsoever in the making or construction of such improvements; and further, the LESSEE covenants and agrees that within thirty (30) days after the completion of all such improvement that it will duly pay and discharge all the costs of the same for materials, labor, fees and every item of expense or cost in connection with the same, and that it will not permit the filing of any labor, materialmen's or other liens against said property, and if any such lien or liens should be filed, the LESSEE does hereby save harmless the LESSOR of and from all damages, costs and expenses in regard to the same, and will also forthwith cause the same to be removed from the public records, it being expressly and distinctly understood that the LESSOR shall not be responsible for nor liable for in any way or manner whatsoever, any of the costs, charges, or expenses in any way connected with such construction or improvement, and the property and estate of the LESSOR shall not be bound or liable therefor. All construction shall be in accordance with all existing provisions of the City of Sanford Building Code, Fire Code, Plumbing Code, and Electrical Code, and all LESSOR, City, County, State and Federal Aviation Administration Codes, ordinances, laws, rules or regulations, in force and effect at the time of said construction and the LESSEE shall allow the LESSOR to inspect the Premises during said construction at any reasonable time to determine if said construction meets the requirements of said codes, ordinances, laws, rules or regulations.

B. LESSEE may, at its own cost and expense, and after approval by the President/CEO, install or erect any fixtures, equipment, machinery, or other appurtenances which it may deem necessary or desirable for the conduct of its business and shall have the right at any time during the term hereof, or any renewal or extension thereof, and for thirty (30) days after the termination hereof, to remove any personal property, trade fixtures, equipment or machinery installed or placed by it, in, on, or about the demised premises, provided that the same can be removed without substantial damage to the freehold, and provided further that LESSEE shall repair, at its own expense, any damage occasioned by such removal, provided, further that any such removal shall be subject to any valid lien which the LESSOR may have on any such property for unpaid rents or fees.

5. RIGHTS OF LESSEE

In addition to the above described property and rights, LESSOR does hereby grant unto LESSEE, the following rights and privileges on and in connection with the property hereby demised, and the property and improvements of the LESSOR known as the Orlando Sanford International Airport, as more particularly hereinafter set forth:

A. Use of Airport

The reasonable use by LESSEE, its employees, passengers, guests, patrons and invitees, in common with other duly authorized users of said Airport and appurtenances, together with all facilities, improvements, equipment and services which have been or which may hereafter be provided for common or public use at or in connection with said Airport.

B. Specific Rights at Airport

In addition to all rights elsewhere in this agreement, the LESSEE shall have the right to use the Airport for the following specific purpose:

(1) Office/Warehouse

NO OUTSIDE STORAGE PERMITTED

(2) The installation and operation of identifying signs on the leased premises, provided the location and general type and design thereof is approved by the President/CEO of LESSOR, which approval shall not be unreasonably withheld.

(3) The use by the LESSEE and its employees, in common with others, of such vehicular parking space as may be provided by the LESSOR as near as practicable to the premises described herein, without charge to LESSEE or his said employees, provided, however, nothing herein shall be construed as a requirement on LESSOR to provide such vehicular parking space, other than parking space shown on the site plan.

(4) Rights of access which may reasonably be required for ingress and egress to the demised premises for the LESSEE, its employees, guests, patrons, invitees, suppliers of materials and furnishers of service for its equipment, vehicles, machinery and other property, along such routes as may be prescribed by the LESSOR, without charge to the LESSEE or to said persons or property.

(5) The LESSOR represents that it has the right to lease said property and appurtenances, rights and privileges herein granted, and has full power and authority to enter into this Lease in respect thereof subject, however, to the terms, conditions, limitations and requirements contained in or arising out of any and all grant agreements, leases, or other agreements heretofore made between the LESSOR and the United States, or any agency, department, branch, authority or other part or subsidiary thereof, and this Lease is made subject thereto; and the LESSOR covenants, subject to the above limitation, that upon payment by the LESSEE of the rents hereinafter reserved and upon the full performance of and

compliance with all the covenants and agreements by the LESSEE on its part to be performed and complied with hereunder, the LESSEE shall peaceably have and enjoy the premises, appurtenances, facilities, rights and privileges in accordance with the terms hereof.

6. OBLIGATIONS OF THE LESSEE

A. The LESSEE at all times shall obey and promptly comply with all present and future laws and ordinances of the federal government, the State of Florida, and any political subdivision or municipality thereof having jurisdiction of or respecting the condition of the Premises and/or the use made thereof and/or any business conducted thereon or in connection therewith, and with all lawful orders, regulations and requirements of all government authorities or agencies which may have jurisdiction. The LESSEE shall not use the Premises demised hereunder, or permit the same to be used, for any unlawful or immoral purposes, or do in or upon or about said premises, or permit the doing therein or thereon or thereabout, of anything which tends to create a nuisance; and the LESSEE further covenants at all times to obey and promptly comply with all lawful rules and regulations which may from time to time be promulgated by the LESSOR or the Federal Aviation Administration or its successors.

B. The LESSEE shall conduct its operation hereunder in an orderly and proper manner considering the nature of such operation so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Airport.

C. The LESSEE shall take all reasonable measures:

- (1) To reduce to a minimum vibrations tending to damage any equipment, structure, building or portion of a building which is on the premises or is a part thereof, or is located elsewhere on the Airport; and
- (2) To keep the sound level of its operations as low as possible.

D. The LESSEE shall within reason, control the conduct, demeanor and appearance of its employees, invitees, and all those doing business with it and, upon objection from any such person, shall immediately take all reasonable steps necessary to remove the cause of objection.

E. The LESSEE shall commit no unlawful nuisance, waste or injury on the premises and shall not do or permit to be done anything which may result in the creation or commission or maintenance of such nuisance, waste or injury on the premises.

F. The LESSEE shall not create nor permit to be caused or created upon the Premises any obnoxious odors or smokes or noxious gases or vapors.

G. The LESSEE shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any are installed or located on or in the Premises.

H. The LESSEE shall not overload any floor or paved area on the Premises and shall repair any floor, including supporting members, and any paved area damaged by overloading.

I. The LESSEE shall not do or permit to be done any act or thing upon the Premises:

- (1) Which will invalidate or conflict with any fire insurance policies covering the Premises at the Airport; or
- (2) Which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Lease.

J. The LESSEE shall not keep or store during any twenty- four period flammable liquids *within any covered and/or enclosed portion of the Premises in excess of the LESSEE'S working requirements during the said 24-hour period.* Any such liquids having a flash point of less than 100 degrees F. shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories and the Fire Chief of the City of Sanford.

K. It is understood by LESSEE that no outside storage is permitted unless the Lease specifically designates an area for that purpose. In this regard, it is specifically understood and agreed that no vehicles and miscellaneous equipment such as campers, boats, recreational vehicles and tractor trailers are to be stored outside on the airport. It is understood that LESSEE will provide, at no cost to LESSOR, a generator, which will be on the Premises.

L. LESSEE will at all times comply with rules, regulations requirements, and instructions regarding the receipt, use, handling, storage, shipment and disposal of all materials, more specifically sewage, industrial, agricultural, thermal, radioactive and/or otherwise hazardous waste as set forth by the United States Environmental Protection Agency, the State of Florida Department of Environmental Regulations, and any and all other regulatory agencies of the federal, state and local governing agencies. LESSEE agrees to install at its own expense air and water pollution control devices if it is determined that LESSEE is the source of or contributes to air, water, or environmental pollution.

M. The LESSEE shall pay for all electrical service, water, sewers and refuse service used anywhere in or about the demised premises, and shall pay the charges made thereof promptly when due.

N. The LESSEE shall, at all times and at its own cost and expense, maintain in a good and safe condition the interior of all buildings and structures now or hereafter placed on the demised premises and the same shall at all times be painted so as to present an attractive appearance, providing for normal wear and tear, all at the sole cost and expense of LESSEE.

O. LESSEE agrees to keep all fixtures pertaining to water, sewer and electrical systems in good order and repairs in conjunction with the Airport Maintenance Department, and agrees that it is liable for any damage to such systems if such damage is due to negligence of the LESSEE.

P. The LESSEE agrees to provide the necessary management and operate the facility in the manner and quality represented and offered to the LESSOR by LESSEE in its proposal and such operation must at all times be acceptable to LESSOR.

Q. All of LESSEE's operational facilities shall be at the sole expense of LESSEE and shall be subject to the general monitoring by the LESSOR to insure the continuing quality of standards expected of similar facilities at other locations.

R. It is mutually understood and agreed that nothing herein contained is intended or shall be construed as in any wise creating or establishing the relationship of co-partners between the parties hereto or as constituting the LESSEE as the agent or representative of LESSOR for any purpose of any manner whatsoever.

S. It is understood that LESSEE shall maintain the leased property in a clean, neat condition and shall not accumulate or permit the accumulation of any trash, refuse, or debris or of anything that is unsightly or which creates a fire hazard or nuisance or causes inconveniences to adjoining properties.

T. That the LESSEE expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such a height so as to comply with Federal Aviation Regulations, Part 77, and/or any other regulations promulgated by proper authority.

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

7. OBLIGATIONS OF LESSOR

A. The LESSOR, shall at all times and at its own cost and expense, maintain in a good and safe condition the exterior of all buildings and structures now on the Premises to include doors, windows and painting. The LESSOR shall at all times and at its own cost and expense, make all general maintenance repairs to the exterior of structures and other improvements as may at any time be needed, including air conditioning, heating and sprinkler systems. In addition, LESSOR agrees to provide pest control services, cleaning services for the leased areas three (3) days a week, and to provide the necessary management and labor personnel to perform continuing maintenance upon the facilities, including related and associated appurtenances, landscaping, grass, and paved area.

8. RIGHTS OF LESSOR

A. The LESSOR expressly reserves the right to further develop or improve any area of the Airport as the LESSOR deems proper, regardless of the desires or views of the LESSEE, and without interference or hindrance.

B. The LESSOR reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction and shall keep said Airport and its approaches free

from obstruction and interference for the safe, convenient and proper use thereof by the LESSEE in common with all others entitled to the use thereof.

C. Nothing in this Lease contained shall in any way be construed as preventing, or in any manner inhibiting, the LESSOR from taking such steps as it may deem necessary to insure that the performance of LESSEE in the conduct of its business operation is compatible with the operation of an Airport by LESSOR.

D. The rights of LESSOR hereunder shall be deemed cumulative and shall not be exhausted by one exercise thereof, and shall not exclude any other rights and remedies authorized by law, and no waiver by the LESSOR of any defaults shall operate as a waiver of any future defaults.

E. LESSEE acknowledges that although LESSOR has not entered into an agreement for the exclusive or non-exclusive right of operating various franchises such as vending machines, or auto parking, on the Airport, LESSOR has the right to enter into such a franchise agreement.

F. The LESSOR reserves unto itself, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the airport.

G. Notwithstanding anything herein contained that may be, or appear to be, to the contrary, it is expressly understood and agreed that the rights granted in this lease are non-exclusive and the LESSOR reserves the right to grant similar privileges to another lessee or other lesser on other parts of the Airport.

9. CONTROL OVER AIRPORT

The LESSEE, under the terms of this agreement, shall not be in control or possession of said Airport except as to the parts hereof leased exclusively to the LESSEE, and the LESSEE does not assume responsibility for the conduct or operation of the said Airport or for the physical or other conditions of the portions thereof not included within the terms of this Lease. The LESSEE is and shall be an independent contractor and operator, responsible to all parties for all of its acts or omissions and the LESSOR shall in no way be responsible thereof.

10. IMPOSSIBILITY OF PERFORMANCE OF LESSOR

The LESSOR may, at any time during the term hereof or any renewal or extension hereof, discontinue the operation and maintenance of either or all or any part of the said Orlando Sanford International Airport, or lease or sell the same to the United States of America, the State of Florida, or any agency, branch, bureau, department or subdivision of the same, or any governmental or political subdivision thereof, but in such event, the LESSOR shall use all reasonable efforts to enable the LESSEE to continue its occupancy of the demised premises under the same terms and conditions as provided herein. In the event of the happening of any of the foregoing events, or the closing thereof by order of municipal,

state or federal authorities, so that the said Airport or the building now or hereafter on the leased premises is rendered unusable by LESSEE for the uses and purpose for which leased, this Lease shall be terminated at the option of LESSEE, unless at the time of the happening of any such event, LESSOR shall have established or procured a suitable building for LESSEE, subject to LESSEE'S acceptance, or shall have restored the building now or hereafter upon the leased premises, in either of which cases, this lease shall continue in full force and affect and under the same terms and conditions, and all rents payable by LESSEE shall be abated during the time that said building, as aforesaid, is not operated or available for use by LESSEE.

11. TERMINATION OF LEASE

The LESSEE, in addition to any right of termination or any other right herein given LESSEE, may terminate this lease by giving thirty days written notice to LESSOR, given upon or promptly after the happening of any one of the following events:

(a) Any failure or refusal by the Federal Aviation Administration to permit the LESSEE to conduct its business on the demised premises.

(b) The breach by LESSOR of any of the covenants or agreements contained herein on its part to be kept and performed, and the failure of the LESSOR to remedy such breach for a period of thirty days after receipt of written notice from LESSEE of the existence of such breach.

(c) The inability of LESSEE to use said demised premises continuing for a longer period than thirty days, due to any law or order, rule or regulations of any appropriate governmental authority having jurisdiction over the premises, or with the operation of LESSEE, or due to war, earthquake, or other casualty, provided the negligence or other fault of the LESSEE is not the cause of such inability of the LESSEE to use said Premises and facilities.

In the event that for any of the causes enumerated in paragraphs (a) through (c) above, the said building(s) now or hereinafter upon the demised premises shall become completely unusable by the LESSEE in its operation for a period of more than thirty days, the rental provided for hereunder shall be abated during such time as the same shall remain so unusable by LESSEE.

12. SUBORDINATION. LESSEE agrees that this Lease and all of LESSEE's rights hereunder are and shall remain subordinate to the lien of any leasehold mortgage or assignment of lease which currently or in the future encumbers the Lease or LESSOR's interest therein. LESSEE agrees that after written request from LESSOR, it will execute and deliver to LESSOR an estoppel certificate acknowledging that:

A. This Lease is unmodified and in full force and effect, or if modified, the extent of such modifications;

B. The dates, if any, to which rent payable hereunder has been paid, including any advance payments intended as security hereunder;

C. That no notice has been received by LESSEE of any default which has not been cured, except as to defaults set forth in said certificate;

D. The fact that no rights of first refusal or options to purchase have been exercised;
and

E. The dates of commencement and termination of the Lease term, including any extensions thereof and whether or not options to purchase have been exercised.

13. CONDEMNATION OR EMINENT DOMAIN. If any time during the Lease term, the whole or any part of the Premises shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of condemnation or eminent domain, the LESSOR shall be entitled to and shall receive any and all awards that may be made in such proceeding; and the LESSEE hereby assigns and transfers to the LESSOR any and all such awards that may be made to the LESSEE, except for awards for trade fixtures owned by LESSEE.

The LESSEE shall not be entitled to any payment, except as otherwise provided herein, based, inter alia, upon the value of the unexpired term of this Lease, consequential damages to the land not so taken, fixtures, or alterations to the Premises or their use otherwise.

If such proceeding shall result in the taking of the whole or substantially all of the Premises, then this Lease and the term hereof shall terminate and expire on the date of such taking, and the rent and other sums or charges provided in this Lease to be paid by the Lessee shall be apportioned and paid to the date of such taking.

If such proceeding shall result in the taking of less than the whole or substantially all of the Premises, then this Lease shall continue in full force and effect, with a just and proportionate reduction of rent depending upon the extent of the taking.

For the purposes of this paragraph, substantially all of the Premises shall be deemed to have been taken if the portion of the Premises not so taken does not constitute, or cannot be repaired or reconstructed so as to constitute a structure and plot useful by the LESSEE as an entirety for the proper conduct of its activities substantially as they existed prior to the taking.

14. DAMAGES OR DESTRUCTION. If the Premises shall be partially damaged by an casualty insurable under the insurance policy provided by LESSEE, LESSOR shall, upon receipt of the insurance proceeds, repair the same, except for the improvements or alterations made by LESSEE, and for LESSEE's trade fixtures and equipment, and the rent shall be abated proportionately as to that portion of the Premises rendered untenable. In the event LESSOR elects to repair any damage, any abatement of rent shall end five (5) days after notice by LESSOR to LESSEE that the Premises have been repaired. If that portion of the Premises (a) by reason of such occurrence are rendered wholly untenable; or (b) are damaged as a result of a risk which is not covered by insurance; or (c) are damaged to the extent that the cost to repair the same would exceed thirty percent (30%) of the then value of the Premises, then or in any of such events, LESSEE may either elect to repair the damage or may cancel this Lease by notice of cancellation within sixty (60) days after such event and thereupon this Lease shall expire, and LESSEE

shall vacate and surrender the Premises to LESSOR. If the damage is caused by the negligence of LESSEE or its employees, agents, invitees, or concessionaires and is not covered by insurance, there shall be no abatement of rent.

In the event that the damage to the Premises may reasonably be expected to take longer than forty-five (45) days to repair, LESSEE may terminate this Lease by notice of termination served within thirty (30) days after such event and thereupon this Lease shall terminate, and LESSEE shall vacate and surrender the leased Premises to LESSOR, provided that the damage is not caused by the negligence of LESSEE or its employees, agents, invitees, or concessionaires, in which case the LESSEE may not terminate this Lease.

15. DEFAULT

A. Continued performance by the LESSOR under this agreement for any period or periods after a default of any of the terms, covenants, and conditions herein contained to be performed, kept and observed by the LESSEE, shall not be deemed a waiver of any right on the part of the LESSOR to terminate this lease for such default. No waiver by the LESSOR of default by the LESSEE of any of the terms, covenants or conditions hereof to be performed, kept and observed by the LESSEE shall be construed to be or act as a waiver by the LESSOR of any subsequent default.

B. If the rent herein provided at any time remains due and unpaid for a space of ten (10) days after same shall become due, the LESSOR may, at LESSOR'S option, consider the LESSEE a tenant at sufferance and LESSOR may immediately re-enter upon said premises and the entire rent for the remainder of the entire term shall at once become due and payable and may forthwith be collected by distress or otherwise.

C. If the LESSEE shall not pay the rent as required herein, or shall fail to keep and perform any other conditions, stipulations or agreements herein contained on the part of the LESSEE to be kept and performed, or if the LESSEE shall suffer to be filed against LESSEE an involuntary or voluntary bankruptcy, or make an assignment for the benefit of creditors, or should there be appointed a Receiver to take charge of the premises either in the State Courts, or in the Federal Court, then, and in any of such events, the LESSOR may, at LESSOR'S option, terminate and end this lease and re-enter upon the property, whereupon the term hereby granted, and all right, title and interest in or under it, shall end and the LESSEE become a tenant at sufferance; or else said LESSOR may, at LESSOR'S option, elect to declare the entire rent for the balance of the term, or any part thereof, due and payable forthwith, and may proceed to collect the same either by distress or otherwise, and thereupon said term shall terminate, at the option of the LESSOR; or else the said LESSOR may take possession of the premises and rent the same for the account of the LESSEE, in which event all expenses and costs incurred by LESSOR in connection with such retaking of possession, including all repairs and alterations necessary to make the Premises suitable for another tenant, shall be recoverable by LESSOR from LESSEE. The exercise of any of which options herein contained shall not be deemed the exclusive LESSOR'S remedy; the expression "entire rent for the balance of the term" as used herein shall mean all of the rent prescribed to be paid by the LESSEE unto the LESSOR for the full term of this lease; less, however, any payments that have been made on account of and pursuant to the terms of this lease.

D. The cessation of business operations on the Premises, without the prior written consent of LESSOR, for a period of thirty (30) consecutive days, shall be an event of default.

E. LESSEE hereby waives the benefit of all exemption laws and further agrees to pay all reasonable attorney's fees to LESSOR'S attorney for all services performed by said attorney in acting upon any default defined in this lease agreement, together with any and all legal costs incurred in protecting LESSOR from said default. The rights of the LESSOR shall be considered cumulative and shall not be waived now or in the future by the exercise of any rights or remedies provided by the LESSOR under the terms of this lease agreement or authorized by law.

16. SURRENDER

The LESSEE shall yield and deliver possession of the demised premises to the LESSOR at the termination of this Lease, by expiration of time or otherwise, or of any renewal or extension hereof, in good condition, excepting only reasonable wear and tear, fire or other casualty, and the LESSEE shall have the right at any time during said term, or any renewal or extension hereof, and for thirty days after the termination hereof, to remove its property therefrom as hereinbefore stated.

17. INSURANCE

A. The LESSEE shall and will indemnify and save harmless the LESSOR, as may be allowed by law, from and against any and all liability, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and costs of actions, including attorney's fees, of any kind and nature arising or growing out of or in any way connected with the use, occupancy, management and control of the demised premises, or the use or occupation thereof by the LESSEE, or its agents, servants, employees, customers, patrons or invitees, or arising out of or in any way connected with the operation or conduct of any business or businesses of the LESSEE of the demised premises, or the use or occupation thereof by the LESSEE, or its agents, servants, employees, customers, patrons or invitees, or arising out of or in any way connected with the operation or conduct of any business or businesses of the LESSEE conducted upon or about said premises, or said airport, or arising out of or in any way connected with any act of omission of the LESSEE or its agents, servants, employees, customers, patrons or invitees, whether on the demised premises or on or about said airport, or resulting from injury or damages to personal property, or loss of life, or property of any kind or nature whatsoever sustained during the term hereof, on or about the demised premises, or in or about said airport (except for injuries, damages, or claims which are the result of the primary negligence of the LESSOR, or for which the LESSOR is legally, directly, and primarily liable), and the LESSEE shall, at its own cost and expense, promptly procure and pay for and at all times maintain a policy or policies of insurance in a company or companies acceptable to the LESSOR, protecting and insuring the LESSOR against any and all of the foregoing, with coverage limits of not less than \$500,000 combined single limit bodily injury or property damage to the public; and all such policies of insurance or certificates thereof and all renewals thereof shall be delivered to and held by the LESSOR. In this regard all policies must list the Sanford Airport Authority as an additional named insured.

B. Lessee further agrees to keep all buildings now or hereafter leased to Lessee, title of which are in Lessor, insured against damage or loss in an amount not less than replacement cost of such buildings, the insurance policy or policies to name Lessor as additional insured.

C. Not less than thirty (30) days prior to the effective date of any renewal, the LESSEE shall furnish satisfactory proof to the LESSOR that premiums have been paid. In addition, all insurers shall furnish a certificate assuring the LESSOR that any coverage will not be canceled or otherwise modified without written notice to the LESSOR of at least thirty (30) days. It is further agreed that if LESSEE fails to maintain current and effective insurance as required after having been notified of such insurance cancellation or termination, the LESSEE thereby becomes a tenant by sufferance and the LESSOR shall be entitled to re-enter and retake possession immediately of the structures.

18. RIGHT OF ENTRY

The LESSOR, or its representatives, shall have the right to enter upon said demised premises at any reasonable hour for the purpose of examining the same, or for any other lawful purpose.

19. HOLDING OVER. In the event LESSEE or any other party remains in possession of the Premises after the expiration of this Lease and without the execution of a new lease, it shall be deemed to be occupying the Premises as a tenant at sufferance at twice the rent last in effect, subject to all the conditions, provisions and obligations of this Lease insofar as the same can be applicable to a tenancy at sufferance cancelable by either party upon thirty (30) days written notice to the other.

20. APPLICABLE LAW AND SEVERABILITY. This lease shall be construed under and governed by the laws of the United States of America and the State of Florida. If any provision of this Lease, or portion thereof, or the application thereof to any person or circumstances shall to any extent be invalid or enforceable, the remainder of this Lease shall not be affected thereby and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

21. MECHANIC'S LIENS. The parties agree that alteration of the Premises by LESSEE is not a substantial or integral consideration for the execution of this Lease by LESSEE. ANY PERSON OR PERSONS PROVIDING LABOR, OR FURNISHING MATERIALS OR SERVICES TO THE PREMISES AT THE REQUEST OF LESSEE SHALL LOOK SOLELY TO THE INTEREST OF LESSEE IN THE PREMISES FOR THE SATISFACTION OF ANY CLAIM OR LIEN THEREON TO BE PLACED ON THE PROPERTY OR ON LESSEE'S INTEREST THEREIN. Any such claim or lien so filed against the property shall be discharged or transferred to the lien of other security posted by LESSEE within thirty (30) days after receipt of notice thereof by LESSEE.

22. SUCCESSORS. This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon LESSOR, its successors and assigns, and shall be binding upon LESSEE, its successors and assigns, and shall inure to the benefit of LESSEE and only such assigns of LESSEE to whom the assignment by LESSEE has been consented to by LESSOR.

23. NOTICES

Notices to the LESSOR provided for herein shall be sufficient if sent by registered or certified mail, postage prepaid, addressed to:

**Sanford Airport Authority
1200 Red Cleveland Blvd.
Sanford, Florida 32773**

and notices to the LESSEE shall be sufficient if delivered in person or sent by overnight mail to the LESSEE at:

**Seminole County Support Services
200 West County Home Road
Sanford, FL 32773-6179**

or to such other respective address as the parties may designate, in writing, from time to time.

24. FAA

Whenever the term "Federal Aviation Administration" is used in this Lease, it shall be construed as referring to the Federal Aviation Administration created by the Federal Government under the Civil Aeronautics Act of 1938, as amended, or to such other agency or agencies of the Federal Government having, from time to time, similar jurisdiction over airports of the nature to be operated by LESSOR, including, but not limited to, the presently existing Federal Aviation Administration or its successors.

25. ASSIGNMENT OR SUBLETTING

A. LESSEE shall not at any time sublet or assign this Lease, in whole or in part, or assign any of its rights or obligations hereunder, without the prior approval of Authority, which approval shall not be unreasonably withheld. In determining whether to grant or withhold its consent to an assignment or sublease, the Authority may consider such factors as it deems to be pertinent, including, without limitation, the net worth and operating experience of the proposed sublessee or assignee. No sublease or assignment shall release LESSEE from any of its obligations under this lease unless the Authority agrees to such release in writing.

B. For purposes of this section, an assignment shall include any transfer of this Lease by merger, consolidation or liquidation, or by operation of law or if LESSEE is a corporation (except in the case of a LESSEE the stock of which is publicly traded), any change in ownership of or power to vote a majority of the outstanding voting stock of LESSEE from the owners of such stock or those controlling the power to vote a majority of the outstanding voting stock of LESSEE from the owners of such stock or those controlling the power to vote such stock on the date of this lease, or if lease is a limited or general partnership, any transfer of an interest in the partnership which results in a change in the control of such partnership. Notwithstanding the foregoing, a transfer of stock of the LESSEE among its current stockholders or among its current stockholders and their immediate families, or any transfer of stock resulting from the death of a stockholder, a transfer of partnership interests in LESSEE among existing partners or among existing partners and their immediate families, or any transfer of a partnership interest resulting from the death of a partner, shall not be deemed an assignment for purposes of this section.

C. As a prerequisite for giving its consent to a proposed assignment or sublease, the Authority may require, among other things, that it receive, in addition to all rent and other sums due under this lease, fifty percent (50%) of the Net Profit, as defined below, due LESSEE under the assignment or subleases, or such lesser amount as the LESSEE and Authority may agree upon in writing. "Net Profit" shall mean all rent and other consideration due LESSEE under the sublease or assignment in excess of all rent and other consideration required under this lease, but less amortization of the cost of any Improvements to the Premises constructed or installed by LESSEE on a straight line basis over the term of the lease, any reasonable tenant improvement allowance, reasonable brokerage commission and reasonable free rent. Authority's share of the Net Profit shall be paid by LESSEE to Authority upon LESSEE'S receipt of same.

D. LESSEE agrees to reimburse the Authority for its attorneys' fees and costs actually incurred in determining whether to give its consent to any proposed sublease or assignment, whether or not such consent is given, and the negotiation and preparation of any documents with respect to such sublease or assignment.

E. In the event of a proceeding involving LESSEE under the Bankruptcy Code, 11 U.S.C. Section 101 *et seq.*, if this Lease is assumed by LESSEE or its trustee in bankruptcy (after LESSEE or such trustee has cured all existing defaults and given adequate assurance of future performance), then this lease may not be assigned by LESSEE or such trustee to a third party, unless such party; (i) has been approved by Authority; (ii) executed and delivers to Authority an agreement in recordable form whereby such party assumes and agrees with Authority to assume and discharge all obligations of LESSEE under this lease; and (iii) has a net worth and operating experience reasonably acceptable to the Authority.

F. Any assignment or sublease that is not in strict compliance with the terms and conditions of this section shall be void ab initio and shall be of no force or effect whatsoever.

26. DISCRIMINATION

The LESSEE for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this lease for a purpose for which a Department of Transportation program is extended or for another purpose involving the provision of similar services or benefits, the LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended.

The LESSEE for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no

person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; (3) that the LESSEE shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulation may be amended.

That in the event of breach of any of the above nondiscrimination covenants, LESSOR shall have the right to terminate the lease and re-enter and repossess said land and facilities therein, and hold the same as if said lease had never been made. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

27. TAXES

All sales or use taxes from time to time levied by lawful authority shall be paid by and the responsibility of LESSEE.

28. AUTHORITY. LESSEE hereby covenants and warrants that (i) LESSEE is a duly authorized and existing political subdivision of the State of Florida; (ii) LESSEE is qualified to do business in the State of Florida; (iii) LESSEE has full right and authority to enter into this Lease; (iv) each of the persons executing this Lease on behalf of the LESSEE is authorized to do so, and (v) this Lease constitutes a valid and legally binding obligation on LESSEE, enforceable in accordance with its terms.

29. HAZARDOUS WASTE

A. LESSEE warrants that no industrial, toxic or hazardous waste will be disposed in the septic or sewer system, dumpster or any other location on LESSOR's property. Disposal shall be in accordance with all appropriate county, state and federal regulations.

LESSEE further warrants that no industrial, toxic or hazardous waste will be stored on or upon the demised premises without the prior written consent and approval of the LESSOR which under no circumstance will be given absent LESSEE's first obtaining all studies or reports required by the respective local, state and federal governmental agencies, all permits, authorization and licenses required by the respective local, state and federal governmental agencies, and without LESSEE having first obtained, constructed or otherwise provided, at LESSEE's own expense, storage facilities meeting all requirements of all local, state and federal governmental agencies who have jurisdiction.

Should LESSEE's activities on or upon the demised premises result in toxic or hazardous waste contamination of the premises, LESSEE agrees to take full responsibility for the cost of the clean up of the same, and further agrees to indemnify and hold harmless the LESSOR for the same, and to defend LESSOR at the LESSEE's expense in any proceeding arising from, or resulting from, such contamination. LESSEE further agrees to compensate LESSOR for any loss of diminution in value of the demised premises resulting from or arising out of such contamination.

B. Radon gas is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from the county public health unit. Pursuant to Section 404.056 (8), Florida.

30. MISCELLANEOUS PROVISIONS

A. The Lease shall be subordinate to the provisions of any existing or future agreement between the LESSOR and the United States, relative to said airport property and the operation and maintenance of the airport.

B. The LESSEE shall not at any time use the demised premises or any part thereof for any purpose other than are herein expressly authorized, without the written consent of the LESSOR being first had and obtained.

C. The accumulation of rubbish, trash, rags, cans, grease, food items, gasoline or other combustible materials in or about the buildings will not be tolerated. LESSEE shall keep his area clean at all times and it shall be subject to inspection by the Sanford Airport Authority at any time and if found to be considered a fire or accident hazard, LESSEE shall be so informed and LESSEE shall within two (2) days notice clean the area to the President/CEO's satisfaction.

D. LESSOR has the privilege of showing to a prospective tenant the above described premises for rent at any time within thirty (30) days prior to the expiration of this Lease and during the said time to exhibit the said premises at reasonable hours.

E. The LESSEE agrees to abide by all rules and regulations concerning operational safety, vehicles, fire prevention and related materials as promulgated by the Sanford Airport Authority, copies of which rules and regulations are available to LESSEE in the Office of the President/CEO.

F. Notwithstanding anything contained herein that may be or appear to be to the contrary, it is expressly understood and agreed that the rights granted under this agreement are non-exclusive and the LESSOR reserves the right to grant similar privileges to another operator or operators on other parts of the airport.

G. LESSEE understands and agrees that there shall be no parking of any tractor, truck, trailer, recreational vehicle or other similar object upon the Sanford Airport except for the express purpose of loading and unloading, and in no event to exceed twenty-four (24) hours consecutively. This prohibition also applies to storage in or upon said objects and LESSEE agrees that LESSOR shall be reimbursed for any expenses associated with the removal of any object in contravention of this subsection.

H. If LESSEE undertakes the construction of any improvements on the leased premises, LESSEE shall provide a payment and performance bond in favor of LESSOR prior to commencing any work, in a form and content acceptable to LESSOR.

IN WITNESS WHEREOF, the LESSEE has caused this instrument to be executed in its name and by its duly authorized Officer, its corporate seal affixed and attested by its Secretary, and the LESSOR, acting by and through the Sanford Airport Authority, has caused this instrument to be executed in its name by the Chairman of said Authority, and attested by the President/CEO, Orlando Sanford International Airport, acting as Clerk of said Authority, on the day and year first above written.

FOR THE LESSOR

Signed, sealed and delivered
in the presence of:

SANFORD AIRPORT AUTHORITY

Witness

By _____
Chairperson

Witness

Attest _____
President/CEO

FOR THE LESSEE

BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA

Witness

By _____
DARYL G. MCLAIN, Chairman

Witness

Attest _____
MARYANNE MORSE
Clerk to the Board of County
Commissioners of Seminole County,
Florida

Date: _____

As authorized for execution by the Board of
County Commissioners at their _____,
2003 regular meeting.

Attachments: Exhibit A – Property Description/Site Plan
Exhibit B – Environmental Protection Policy

Exhibit B
Sanford Airport Authority
Environmental Protection Policy
Lease 2003-17

The Sanford Airport Authority recognizes and strongly supports protection of the environment and adherence to federal, state and local laws, regulations and policies enacted for the protection and enhancement of the natural environment.

It shall be the policy of the Sanford Airport Authority to hold the tenant, Lessee or user of the airport property responsible for environmental hazards or liability created by their activity at the Airport. Such liability includes, but is not limited to fines, legal fees, consultant fees and all other costs required to operate or bring into compliance any activity, use or occupancy of Airport property which creates an environmental violation or hazard. Lessee specifically agrees to be responsible to the Authority for all matters stated herein.

With promulgation of this policy, it is clearly the intent of the Sanford Airport Authority to support and enhance responsible industrial activities which may incidentally create low risk, low volume quantities of environmentally hazardous or toxic materials. All such activities shall be reviewed on a case by case basis and continuously monitored by the tenant and the Authority. Such activities would generally include:

- 1) Proper handling and storage of oils, fuels, lubricants or equivalent products.
- 2) Permitted handling and storage of solvents, cleaners, paints and related cleaners.
- 3) Regulated storage of explosives and or related products.

Any proposed use of Airport property for handling of high risk or high volume hazardous or toxic materials will be reviewed on a case by case basis and may be disapproved if deemed incompatible with Airport needs, standards or goals. Such higher risk or higher volume activities could include:

- 1) Handling or use of radioactive materials.
- 2) Dumping on Airport property.
- 3) Waste incineration on Airport property.
- 4) Hazardous or toxic waste storage on Airport property.

All tenants or users of Airport property who are involved in the use, storage, manufacture or recycling of regulated materials or substances are required to be insured in order that the Sanford Airport Authority and the City of Sanford are indemnified against environmental risk. The required insurance shall be determined by the Authority and must effectively address the comprehensive potential loss created by the user or tenant activity. At the Authority's discretion, the tenant may be asked to substitute a cash deposit, letter of credit

or bond in lieu of insurance. Limits of insurance coverage or deposits may be adjusted from time to time at the sole discretion of the Authority.

In addition to insurance or deposit covering financial loss, the Authority independently may also require the development of an emergency plan which covers the Airport tenant's or user's action in the event of an environmental emergency.

It shall be the ongoing responsibility of each tenant or user of Airport property to maintain all required insurance, licenses, records, permits or training standards in line with all applicable governmental requirements. All insurance shall provide a one hundred and twenty (120) day prior notice of non-renewal to the Sanford Airport Authority and loss of required licenses to operate shall be deemed just and sufficient cause to terminate the lease or use of the Airport. Sixty (60) days prior to non-renewal or cancellation of any environmental insurance policy, the Authority may commence clean-up activities thereunder or utilize such deposits or insurance proceeds as may be available to bring an offending activity into compliance.

AGREED AND ACCEPTED:

NAME: DARYL G. MCLAIN, Chairman

COMPANY: BOARD OF COUNTY COMMISSIONERS
SEMINOLE COUNTY, FLORIDA

DATE: _____

