

NEWS AND GIFTS LEASE AND CONCESSION AGREEMENT AMENDMENT NO. 5

THIS AMENDMENT NO. 5 TO THE NEWS AND GIFTS LEASE AND CONCESSION AGREEMENT ("Amendment No. 5") is hereby made and entered into as of the _____ day of _____, 20____ ("Effective Date"), by and between the CITY OF PENSACOLA, a Florida municipal corporation ("City") in its capacity as owner and operator of PENSACOLA INTERNATIONAL AIRPORT ("the Airport") and VARONA-PARADIES, LLC, a for-profit limited liability company authorized to do business in the State of Florida ("Lessee" or "Concessionaire") (Each at times referred to in this Amendment No. 5 individually as a "Party" and collectively as the "Parties").

WHEREAS, City is the owner and operator of the Airport; and

WHEREAS, City and Lessee entered into a Lease and Concession Agreement ("Original Agreement") dated February 29, 2008, whereby Lessee was granted the news and gifts concession at the Airport; and

WHEREAS, Amendment No. 1 to the Original Agreement dated April 28, 2009 amended the Original Agreement as a result of changes in the City's planned extension of the Airport terminal facility; and

WHEREAS, Amendment No. 2 to the Original Agreement dated June 17, 2019 amended the Original Agreement to extend the term until April 26, 2025 as a result of additional investment by Concessionaire to reconfigure the prescreening store; and

WHEREAS, Amendment No. 3 to the Original Agreement dated October 14, 2020 amended the Original Agreement to amend and restate certain provisions of the Original Agreement in exchange for an extension of the term until 11:59 pm April 26, 2030; and

WHEREAS, Amendment No. 4 to the Original Agreement dated September 15, 2021 amended the Original Agreement to add approximately 102.8 square feet of space inside the Airport terminal building to the Leased Premises (hereinafter, the Original Agreement and Amendment No. 1 and Amendment No. 2 and Amendment No. 3 and Amendment No. 4 will be referred to collectively as the "Agreement"); and

WHEREAS, City and Lessee desire to further amend the Agreement as hereinafter provided; and

WHEREAS, the City finds that it is in the best financial interests of the citizens of the City of Pensacola that this Agreement be amended as provided herein; and

WHEREAS, Article XLVII of the Original Agreement provides the parties may amend the Original Agreement in writing executed by the parties.

NOW THEREFORE, in consideration of the promises, covenants, terms, and conditions herein set forth, the Parties hereby agree as follows:

- (1) **Recitals.** The foregoing recitals are true and correct and are hereby incorporated herein by reference.
- (2) Upon approval by the City of Pensacola, this Amendment No. 5 to the Original Agreement shall be effective upon date of execution.
- (3) Section LX of the Original Agreement, as previously amended, is hereby deleted in its entirety and replaced with the following:

Additional Leased Spaces.

City hereby leases to Lessee, and Lessee hereby leases from the City, office/storage spaces inside the Airport terminal building consisting of approximately 102.8 square feet and approximately 187.6 square feet as located and depicted on Exhibit "A" attached hereto and incorporated herein by this reference, such leased space hereinafter referred to as the "Additional Leased Premises."

The Additional Leased Premises shall be taken by Lessee in AS IS condition, subject to all defects, latent and patent, and shall be improved, maintained and operated at Lessee's sole cost and expense. It is the express intention of the parties hereto that the Lessee's improvements, use and occupancy of the Additional Leased Premises, and all costs associated therewith, shall be and remain the financial obligation of the Lessee.

Lessee shall be required to keep all of the areas assigned to it in a neat, clean, safe, sanitary and orderly condition at all times. Lessee will keep such areas free at all times of all paper, rubbish and debris, and Lessee will deposit all trash and debris resulting from its operations in containers approved by the City.

Lessee agrees to provide, at its own expense, such janitorial and cleaning services and supplies for the maintenance of its assigned areas. Lessee shall also keep and maintain the assigned areas in a clean, neat, and sanitary condition and attractive appearance.

Lessee shall perform ordinary preventive maintenance and ordinary upkeep and non-structural repairs of all assigned areas including but not limited to fixtures, doors (except for locks and keys), floor coverings and walls (painting and wall coverings). Lessee shall be required to keep all such areas in good operating condition at all times.

Lessee shall have the duty to promptly notify the Airport Director or his or her authorized designee of any conditions or events that would necessitate maintenance, repair, or replacement obligations.

Rents and Fees.

In consideration of the rights and privileges herein granted, the Lessee hereby covenants and agrees to pay the City upon commencement of this Amendment No. 5 a monthly rental rate identical to that square foot rental rate charged to the non-signatory air carriers. The rental rate for the Additional Leased Premises shall be adjusted annually on October 1st. The City shall provide the Lessee notification of the adjusted lease rate thirty (30) days prior to the effective date of the change.

Pursuant to the above, the Parties agree the lease monthly rental rates for the fiscal year 2022 shall be as follows:

Additional Leased Premises:

<u>Time Period</u>	<u>Rate Per Sq. Ft.</u>	<u>Sq. Ft.</u>	<u>Annual</u>	<u>Monthly</u>
10/01/2021 – 09/30/2022	\$51.38	102.8	\$5,281.86	\$440.16
Effective Date- 09/30/2022	\$51.38	187.6	\$9,638.89	\$803.24

Lessee agrees to pay rent due to the City, without invoice, in advance on or before the first day of the month for which rent is due. Rent for periods less than one month shall be prorated on a daily basis (365 day year). In accordance with Florida law, every person who rents or leases any real property or who grants a license to use, occupy, or enter upon any real property is exercising a taxable privilege. Lessee shall be responsible for adding the applicable state and local sales tax to all rental payments. The monthly rent payment shall clearly indicate what amount of the total payment is for rent and what amount is for state and local sales tax. In the event Lessee is a tax exempt entity, Lessee shall not be required to add applicable state and local sales tax to the rental payments.

Rent payments shall be made payable to the City of Pensacola and forwarded to the office of the Airport Director.

Surrender of Additional Leased Premises:

Lessee may surrender the Additional Leased Premises at any time during the term of the Agreement by providing thirty (30) days written notice to City.

(4) All other terms and conditions of the Original Agreement, as previously amended, shall remain in full force and effect.

(END OF TEXT; SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 5 to be executed and sealed the day and year first above written.

CONCESSIONAIRE

CITY OF PENSACOLA, FLORIDA

VARONA-PARADIES, LLC
(Concessionaire's Name)

Mayor, Grover C. Robinson, IV

By _____
Manager

City Clerk, Ericka L. Burnett

Gregg S. Paradies
(Printed Manager's Name)

Approved as to Substance:

Attest: _____

Department Director

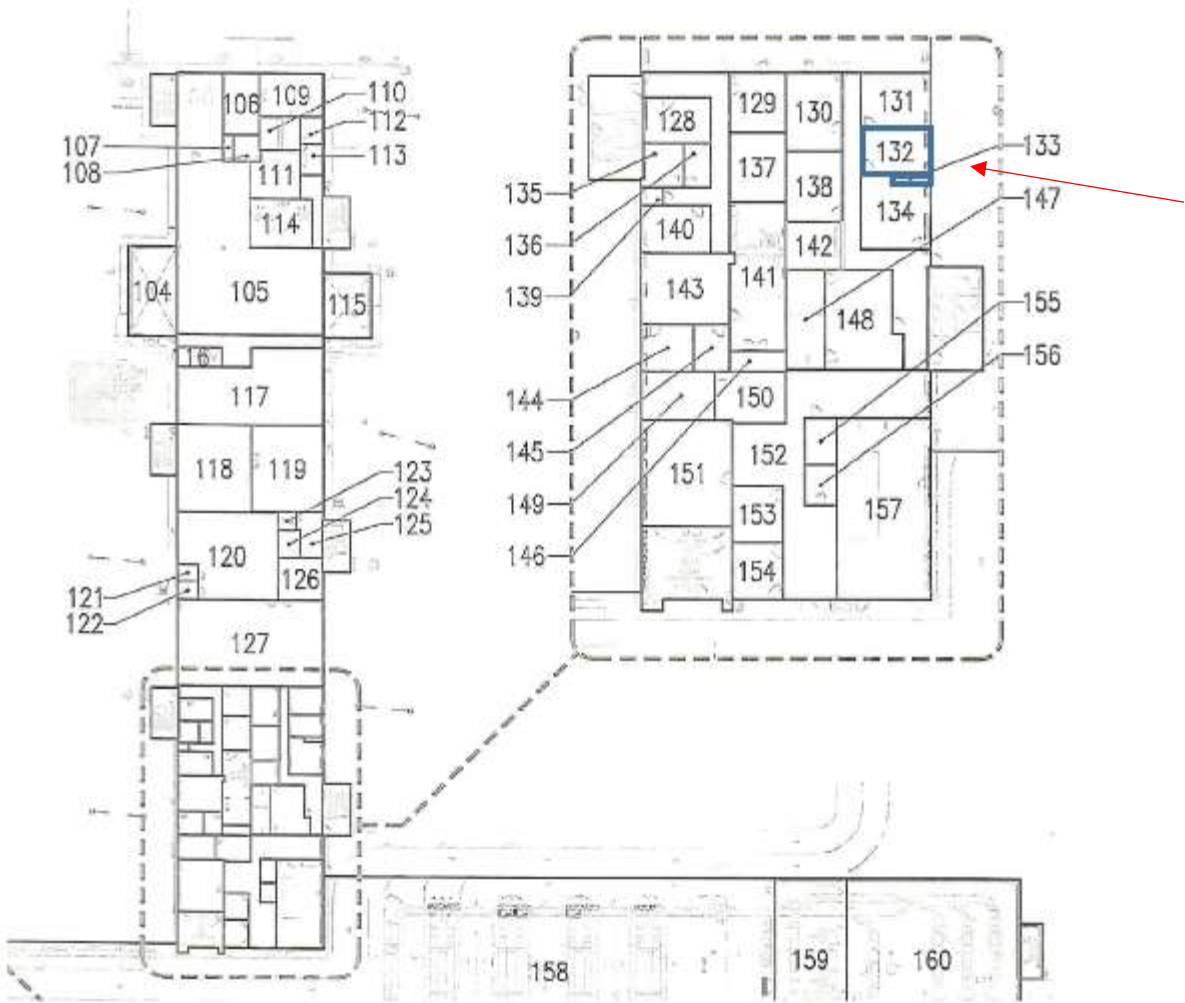
(Printed Name)

Legal in form and execution:

City Attorney

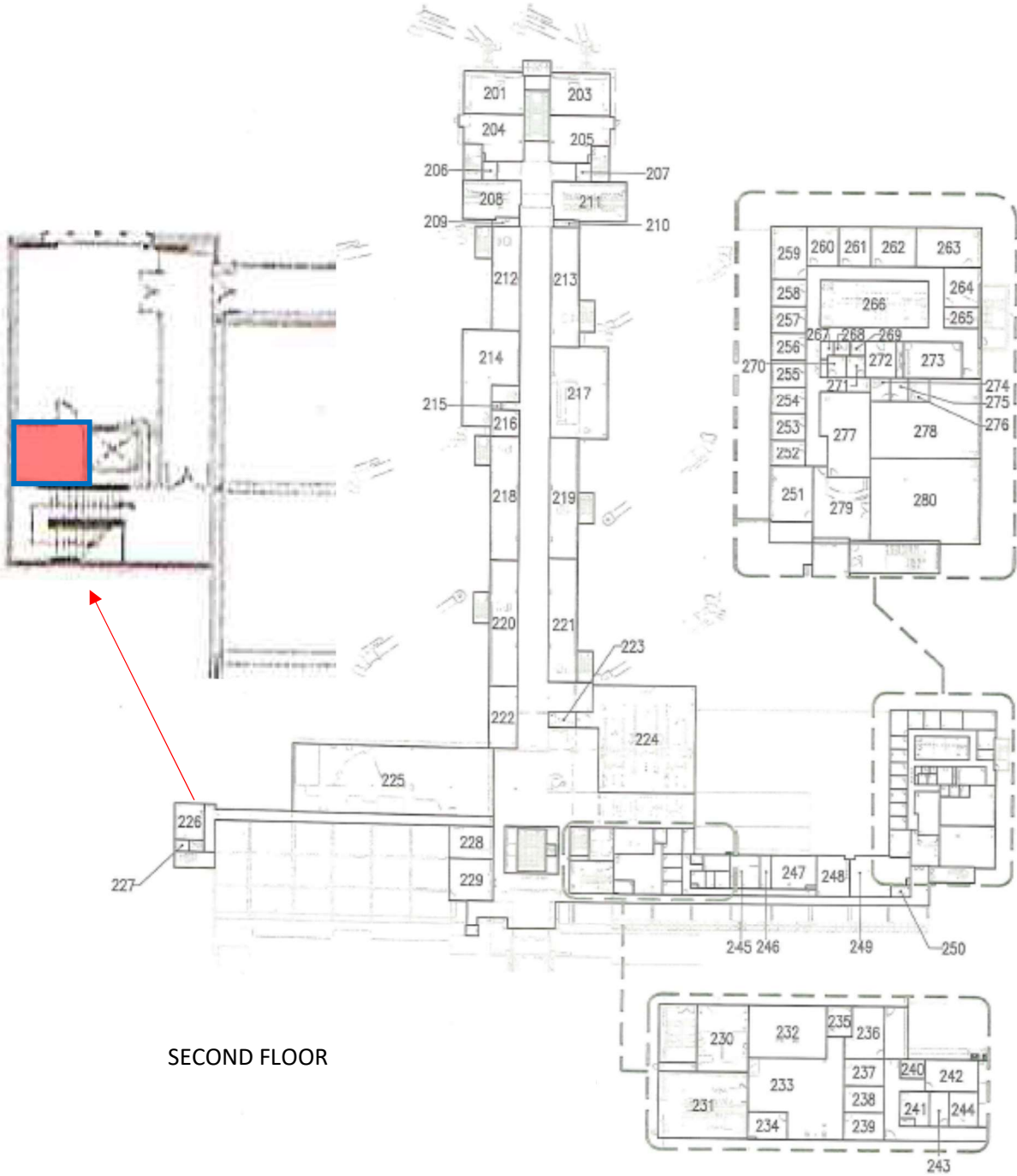
EXHIBIT A
ADDITIONAL LEASED PREMISES

EXCLUSIVE USE OFFICE/STORAGE
187.6 SQUARE FEET



FIRST FLOOR

EXCLUSIVE USE OFFICE/STORAGE SPACE
102.8 SQUARE FEET



SECOND FLOOR