

LEASE AGREEMENT BETWEEN THE CITY OF PENSACOLA AND
AERONAUTICAL RADIO, INC. FOR THE PROVISION OF RADIO SERVICES TO
THE PENSACOLA INTERNATIONAL AIRPORT

THIS LEASE AGREEMENT (hereinafter referred to as "Agreement" or "Lease") is made and entered into this _____ day of _____, _____, by and between the City of Pensacola, a Florida municipal corporation created and existing under the laws of the State of Florida, located at 222 W. Main Street, Pensacola, Florida 32521-0001, (hereinafter referred to as "City"), and Aeronautical Radio, Inc., a corporation authorized to do business in Florida with the business address of 2551 Riva Road, MS 5-1B35 Annapolis, Maryland 21401 (hereinafter referred to as "Lessee"). (All at times referred to as "party" or collectively "parties").

In consideration of the mutual promises and other good and valuable consideration set forth below, the Parties agree as follows:

ARTICLE I. LEASED PREMISES.

The City hereby leases to Lessee and Lessee hereby leases from City approximately six (6) square feet of floor space area in the Pensacola International Airport Terminal building's first floor utility area, more particularly detailed in Exhibit "A", (hereinafter referred to as "Leased Premises").

ARTICLE II. GRANT OF USE.

The City hereby grants the Lessee the right to use the Leased Premises for the installation and operation of radio equipment used to provide air-ground-air communication services to the airlines serving the Pensacola International Airport. Lessee shall not use, nor permit others to use, the Leased Premises for any purpose other than the services and activities authorized by this Lease unless the City authorizes Lessee, in writing, to use the Leased Premises for said additional purposes.

Lessee agrees that no oils, petroleum products, synthetic lubricants, gasoline, solvents, or hazardous materials may be permanently or temporarily stored on the Leased Premises. Lessee shall not be responsible or liable for any pre-existing environmental contamination or environmental contamination arising during the term of this Agreement not caused by the Lessee.

ARTICLE III. TERM.

The term of this Lease shall be for five (5) years commencing at 12:01 A.M., July 22, 2020 (hereinafter referred to as "Commencement Date"), and shall terminate at midnight on July 21, 2025, subject to earlier termination pursuant to the terms and conditions of this Lease. During the term of this Agreement, and notwithstanding the provisions of Article XI, Defaults and Remedies, either party may terminate this Agreement by giving the other

at least ninety (90) days prior written notice. If Lessee seeks to terminate this Agreement but is in default at the time, this Agreement shall not be deemed terminated until the default is cured, and Lessee shall be responsible for fulfilling all terms and conditions of the Agreement arising through the date of cure.

ARTICLE IV. RENTALS, FEES & CHARGES.

The Lessee shall pay to the City, for the right to install and operate the radio equipment in accordance with the terms and conditions of this lease Agreement, a monthly rental of One hundred (\$100.00) dollars. Payments shall be due in advance on or before the first day of each month for which they are due. Payments required under this Agreement which are not received when due shall accrue interest at the rate of one and one-half percent (1.5%) per month from the due date until receipt of payment. Any partial payments received on said indebtedness shall be applied first to accrued interest and then to principal.

ARTICLE V. IMPROVEMENTS.

During the term of this Lease, Lessee shall have the right to construct, at its own expense, improvements, alterations, or additions to the Leased Premises to facilitate and further the authorized usage of the Leased Premises, provided that:

- (a) the proposed improvements and alterations are submitted to the City for its prior review;
- (b) the City determines, in its sole discretion (which discretion shall be reasonably applied), that the proposed improvements and alterations will be consistent with the Airport's Master Plan, land use plan and architectural design and quality of construction in effect at the time of construction; and
- (c) the improvements, alterations, and additions are to be constructed by qualified and licensed contractors and subcontractors.

Lessee shall construct all improvements and additions to the Leased Premises at its own expense. Although the City has the right to review proposed improvement plans, and veto the plans if the plans are inconsistent with the Airport development plans or construction quality and design control, pursuant to the standards set forth above, if the City does not veto said improvement plans, and Lessee thereafter constructs the improvements, the improvements shall be commissioned and constructed at Lessee's sole initiative and behest, and nothing herein shall be construed as an authorization by City to Lessee to construct the improvements, or as an Agreement by City to be responsible for paying for the improvements, and neither the Leased Premises, nor the City's interest in said Leased Premises or any improvements constructed thereon, shall be subjected to a mechanic's lien for any improvements constructed by Lessee hereunder.

Where the cost of improvements exceeds \$100,000, the City may require Lessee to post a bond or other security acceptable to the City guaranteeing payment for construction

of the improvements, as a condition precedent to the commencement of construction of the improvements.

Lessee shall be responsible for assuring that all of the improvements, alterations and additions to the Leased Premises are constructed in accordance with applicable local, state and federal law. Lessee shall reimburse the City for all costs and expenses, including attorney's fees, the City incur:

- (a) as a result of the fact that the improvements, additions, or alterations do not comply with local, state and federal law;
- (b) in defending against, settling or satisfying any claims that the City is responsible for paying for improvements commissioned by Lessee hereunder; or
- (c) in defending against, settling or satisfying any mechanic's lien claims, asserted as a result of unpaid-for improvements commissioned by Lessee hereunder.

Should Lessee construct improvements, alterations, or additions without fulfilling its obligations hereunder, Lessee shall remove said improvements, alterations, or additions if so directed by the City, and shall do so at its own expense and within the time limits specified.

ARTICLE VI. MAINTENANCE, REPAIRS, UTILITIES AND CLEANLINESS.

During the term of this Lease and extensions thereof, Lessee agrees, at its own expense, to maintain and keep in good condition and repair all portions of the Leased Premises, including any improvements, alterations, or additions thereon, and any utility lines thereon or there under.

City shall provide at its expense all existing lighting and electricity to the Leased Premises. Any additional lighting or electrical requirements shall be the responsibility of the Lessee and shall be installed in accordance with Article V, Improvements.

Lessee agrees to maintain all portions of the Leased Premises, and any improvements, alterations, or additions thereon, in a safe, clean, and neat condition, and not permit any accumulation of wreckage, debris or trash. Lessee agrees to provide for complete, proper and adequate sanitary handling and disposal, away from the Airport, of all trash, garbage, waste and other refuse caused as a result of Lessee's operations; to provide and use suitable covered metal receptacles, to be approved by the Airport Director, for all trash, garbage and other refuse on or about the Leased Premises, and not to dump any waste matter of any nature, in a liquid state or otherwise, on the Leased Premises nor to permit the contamination of the City's sewers or the Airport's drainage control reservoir.

Lessee agrees to promptly install, without cost or expense to the City, any other device or devices for the handling and disposition of refuse and all manner of waste (liquid or

otherwise) as may reasonable be required by the City or the Airport Director from time to time of all Airport tenants, including Lessee.

Should Lessee fail to comply with the terms and conditions of this Article within a period of thirty (30) days following written notice of such failure, the City reserves the right to take any action to cure said failure. Should the City take action to cure said failure, the Lessee shall pay to the City an amount equal to the City's cost for such actions plus a ten percent (10%) administrative charge. Said payment shall be made by the 10th day of the following month.

ARTICLE VII. SIGNS.

Lessee agrees that no signs, logos, or advertising displays shall be painted on or erected in any manner upon the Leased Premises, or in or on any improvements or additions on the Leased Premises, without the prior written approval of the City, and said approval shall not be unreasonably withheld; and that signs identifying Lessee shall conform to reasonable standards established by the City, with respect to type, size, design, condition and location.

ARTICLE VIII. DAMAGE TO AIRPORT.

Lessee shall be liable for any damage to the Airport, including any improvements and additions thereon, caused by Lessee, its Board members, officers, agents, employees, contractors, subcontractors, assigns, subtenants, or anyone acting under its direction and control, ordinary wear and tear excepted. All repairs for which Lessee is liable shall be made by Lessee unless the City reasonably determines that it is more appropriate for the City to make the repairs; in such case the City shall make the repairs at Lessee's expense. All repairs for which Lessee is liable and which are not undertaken after the City has given Lessee notice to do so shall be performed by the City, in which event Lessee shall reimburse the City for the cost thereof, plus a ten (10%) administrative charge, and said amount shall be due by the 10th day of the following month.

The City shall not be liable to Lessee, the Lessee's employees, patrons, or vendors for any damage to their merchandise, trade fixtures, or personal property caused by wind, water (including leakage from the roof, water lines, sprinkler, and heating and air conditioning equipment), steam, sewage, snow, ice, gas, bursting or leaking of pipes or plumbing or electrical causes, unless the damage is proved to be the result of gross negligence of the City.

ARTICLE IX. TAXES AND ASSESSMENTS.

Lessee shall pay all property taxes; personal property taxes; all sales and other taxes measured by or related to the lease payment hereunder; all license fees; and any and all other taxes, charges, imposts, or levies of any nature, whether general or special, which may, at any time, be in any way imposed by local, state, or federal authorities other than the City, or that become a lien upon Lessee, the City, or the Leased Premises, by reason of this Lease

or Lessee's activities in, or improvements upon, the Leased Premises pursuant to this Lease. The City warrants and represents that it shall not impose any taxes, assessments, or charges upon Lessee during the term of this Lease and any extensions thereof except those imposed on all other businesses operating in the City of Pensacola. Lessee shall have the right, by giving written notice to City of its intention to do so, to resort to any available legal or administrative proceeding to contest or obtain the review of any such tax, charge, or assessment at any time before such tax, charge, or assessment becomes delinquent. At Lessee's request, the City may join in such proceedings. The expenses of such proceeding, including all of the City's costs and attorney's fees incurred in protecting its own interests in such proceeding and in assisting Lessee in such proceeding, shall be paid by Lessee irrespective of whether the City participates in such proceeding.

ARTICLE X. INSURANCE AND INDEMNIFICATION.

At all times during the term of this Lease the Lessee shall procure and maintain insurance of the types and to the limits specified herein.

The term "City" or "Airport" as used in this section of the Lease is defined to mean the City of Pensacola itself, any subsidiaries or affiliates, elected and appointed officials, employees, volunteers, representatives and agents.

The Lessee and the City understand and agree that the minimum limits of insurance herein required may become inadequate during the term of this Agreement. The Lessee agrees that it will increase such coverage to commercially reasonable levels required by the City within ninety (90) days upon receipt of written notice from the Airport Director.

Insurance shall be issued by an insurer whose business reputation, financial stability and claims payment reputation is satisfactory to the City, for the City's protection only. Unless otherwise agreed, the amounts, form and type of insurance shall conform to the following minimum requirements:

1. WORKER'S COMPENSATION

The Lessee shall purchase and maintain Worker's Compensation Insurance Coverage for all Workers' Compensation obligations legally required. Additionally, the policy, or separately obtained policy, must include Employers Liability Coverage of at least \$100,000 each person -accident, \$100,000 each person- disease, \$500,000 aggregate- disease.

2. COMMERCIAL GENERAL. AUTOMOBILE AND UMBRELLA LIABILITY COVERAGES

The Lessee shall purchase coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies filed by the Insurance Services Office. The City shall be an Additional Insured and such coverage shall be at least as broad as that provided to the Named Insured under the

policy for the terms and conditions of this Lease. The City shall not be considered liable for premium payment, entitled to any premium return or dividend and shall not be considered a member of any mutual or reciprocal company.

Commercial General Liability insurance in an amount not less than \$1,000,000 per occurrence covering claims of bodily injury and property damage liability arising out of premises, operations, products and completed operations, contractual liability, independent contractors. Broad Form Commercial General Liability coverage or its equivalent shall provide at least, broad form contractual liability applicable to this specific lease. The coverage shall be written on occurrence-type basis.

Business Auto liability insurance in an amount not less than \$1,000,000 per accident combined single limit covering bodily injury and property damage liabilities arising out of operation, maintenance or use of owned, non-owned and hired automobiles and employee non-ownership use.

Umbrella Liability Insurance coverage may be used to make up any difference between the policy limits of underlying policy coverage and the total amount of coverage required; however, the coverage shall not be more restrictive than the underlying insurance policy coverages. The coverage shall be written on an occurrence-type basis.

3. CERTIFICATES OF INSURANCE

Required insurance shall be documented in the Certificates of Insurance that endeavor to provide the City of Pensacola notice at least thirty (30) days in advance of cancellation, non-renewal or adverse change or restriction in coverage, but with respect to cancellation for non-payment of premium at least seven (7) days. The City of Pensacola shall be named on each Certificate as an Additional Insured and this contract shall be listed. Certificates shall be on the "Certificate of Insurance" form equal to, as determined by the City an ACORD 25. Any wording in a Certificate which would make notification of cancellation, adverse change or restriction in coverage to the City an option shall be deleted or crossed out by the insurance carrier or the insurance carrier's agent or employee. The Lessee shall replace any canceled, adversely changed, restricted or non-renewed policies with new policies acceptable to the City and shall file with the City Certificates of Insurance under the new policies prior to the effective date of such cancellation, adverse change or restriction. If any policy is not timely replaced, in a manner acceptable to the City, the Lessee shall, upon instructions of the City, cease all operations under the Lease until directed by the City, in writing, to resume operations. The "Certificate Holder" address should read: City of Pensacola, Department of Risk Management, Post Office Box 12910, Pensacola, FL 32521. An additional copy should be sent to the Pensacola International Airport, Attn: Contracts Administrator, 2430 Airport Blvd., Suite 225, Pensacola, FL 32504.

4. INSURANCE OF THE LESSEE PRIMARY

The Lessee's required coverage shall be considered primary and all other insurance

shall be considered as excess, over and above the Lessee's coverage. The Lessee's policies of coverage will be considered primary as relates to all provisions of the contract.

LOSS CONTROL AND SAFETY: The Lessee shall retain control over its employees, agents, servants, and subcontractors, as well as control over its invitees, and its activities on and about the subject premises and the manner in which such activities shall be undertaken and to that end, the Lessee shall not be deemed to be an agent of the City. Precaution shall be exercised at all times by the Lessee for the protection of all persons, including employees, and property. The Lessee shall make special effort to detect hazards and shall take prompt action where loss control/safety measures should reasonably be expected.

HOLD HARMLESS: The Lessee shall indemnify and hold harmless the City of Pensacola, its officers and employees, from any and all liabilities, damages, losses, loss of revenue, consequential or indirect damages, and costs, including, but not limited to, reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentional wrongful misconduct of the Lessee and persons employed or utilized by the Lessee during the term of this Lease. The Lessee's obligation shall not be limited by, or in any way to, insurance coverage or by any provision in or exclusion or omission from any policy of insurance.

PAY ON BEHALF OF THE CITY: The Lessee agrees to pay on behalf of the City, as well as provide a legal defense for the City, both of which will be done only if and when requested by the City, for all claims as described in the Hold Harmless paragraph. Such payment on the behalf of the City shall be in addition to any and all other legal remedies available to the City and shall not be considered to be the City's exclusive remedy.

ARTICLE XI. DEFAULT AND REMEDIES.

- A. The following shall constitute defaults by the Lessee:
1. The failure to pay rent or any other monies owed hereunder when due or within thirty (30) days after written notice;
 2. Any other failure in the performance of any covenant or obligation required by this Lease;
 3. The acquisition of Lessee's interest in this Lease by execution or other process of law when said process of law is not discharged within fifteen (15) days thereafter;
 4. The adjudication of Lessee as bankrupt; Lessee's general assignment for the benefit of creditors; the utilization of the benefits of any insolvency act; or the appointment of a permanent receiver or trustee in bankruptcy for Lessee's property if the appointment is not vacated within ninety (90) days;
 5. Abandonment of Lessee's operations, which shall be defined as Lessee's failure to conduct regular and continuing operations on the

Leased Premises as defined in accordance with the requirements of this Lease for one (1) month.

B. If Lessee defaults, the City may utilize any one or more of the following remedies against Lessee. These remedies shall be considered cumulative and not in the alternative:

1. The City may sue for all damages incurred by City including incidental damages, consequential damages and reasonable attorney's fees;
2. The City may terminate this Lease and, at the option of the City, any other Agreement in effect between the City and Lessee. The termination of these Agreements, however, shall only be effective upon written notice of same provided by City to Lessee. In no event shall this Lease be construed to be terminated unless and until such notice is provided. The termination may be effective thirty days from provision of said notice, or at any other time thereafter specified in the notice. If this Lease is terminated, Lessee shall continue to be liable for the performance of all terms and conditions and the payment of rents when due hereunder prior to the effective date of said termination in addition to all damages, including attorney's fees and other expenses of collection, incurred as a result of any default.
3. The City may utilize any other remedy provided by law or equity as a result of Lessee's default.
4. In the event of a bankruptcy filing by or on behalf of Lessee as debtor, the Parties hereto agree that this Lease shall be construed to be a nonresidential lease of real property subject to treatment in accordance with 11 U.S.C., Section 365(d).

ARTICLE XII. COMPLIANCE WITH RULES AND REGULATIONS.

It is expressly understood that the Lessee agrees to conform to all Federal, State, or local laws and regulations, as well as all City of Pensacola Codes and Ordinances, all of which may apply to the services to be performed and that the City of Pensacola is to be held free and harmless from any act or failures by the Lessee to do so.

The Lessee shall obtain and maintain in force all licenses, permits and other certificates required by Federal, State, County, or municipal authorities for its operation under the terms of this Agreement.

The Lessee agrees to observe all security requirements of Transportation Security

Administration 49 CFR Part 1542 and the Airport Security Program, as may be applicable, and as the same may, from time to time, be amended, and to take such steps as may be necessary or directed by the City to ensure that employees, invitees, agents and guests observe these requirements.

If the City incurs any fines and/or penalties imposed by Federal, State, County, or Municipal authorities as a result of the acts or omissions of Lessee, its partners, officers, agents, employees, contractors, subcontractors, assigns, subtenants, or anyone acting under its direction and control, then Lessee shall be responsible to pay or reimburse the City for all such costs and expenses, including reasonable attorney's fees incurred by City in defending against the fine or penalty.

ARTICLE XIII. INSPECTION.

The City and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right to enter upon the Leased Premises and any improvements and alterations thereon for the following purposes:

1. To inspect such premises to determine whether Lessee has complied and is complying with the terms and conditions of this Lease Agreement.
2. To perform maintenance and make repairs in any case where Lessee is obligated but has failed to do so.
3. In the exercise of City's police powers.

ARTICLE XIV. QUIET ENJOYMENT.

The City represents that upon payment of rents when due and upon performance of all other conditions herein, Lessee shall peaceably have, possess and enjoy the Leased Premises without hindrance or disturbance from the City.

ARTICLE XV. NON-DISCRIMINATION.

Lessee, for itself, its personal representatives, successors in interest, assigns and subtenants, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, religion, sex, national origin, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Leased Premises and any improvements thereon; (2) no person on the grounds of race, color, religion, sex, national origin, or disability shall be subjected to discrimination in the construction of any improvements on, over, or under the Leased Premises and the furnishing of services therein; and (3) Lessee shall use the Leased 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, Non-Discrimination in Federally Assisted Programs of the Department

of Transportation, effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

Lessee shall furnish its accommodations and/or services on a fair, equal, and non-discriminatory basis to all users thereof and it shall charge fair, reasonable, and non-discriminatory prices for each unit or service, PROVIDED THAT Lessee may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

Lessee shall make its accommodations and/or services available to the public on fair and reasonable terms without discrimination on the basis of race, creed, color, sex, age, national origin, or disability.

Non-compliance with the above paragraphs, after written findings, shall constitute a material breach thereof and in the event of such non-compliance, the City shall have the right to terminate this Lease Agreement and the estate hereby created without liability therefore, or at the election of the City or the United States, either or both said governments shall have the right to judicially enforce above paragraphs.

ARTICLE XVI. AUTHORIZATION.

The City represents that it has the authority to enter into this Lease and grant the rights contained herein to Lessee.

If Lessee is a limited or general partnership, the undersigned warrants and represents that (1) he/she is a general partner of said partnership; (2) his/her execution of this Lease is in the usual course of the partnership's business; and (3) by his/her execution of this Lease, the partnership shall be deemed a signatory to this Lease in the same fashion as if all of the general partners of the partnership had executed this Lease.

If Lessee is a corporation, the undersigned warrants and represents that (1) he/she is an agent or officer of the corporation; (2) he/she is authorized to execute this Lease on the corporation's behalf; and (3) the corporation shall be bound as a signatory to this Lease by his/her execution of this Lease.

ARTICLE XVII. WAIVER.

Should Lessee breach any of its obligations hereunder, the City nevertheless may thereafter accept from Lessee any payment or payments due hereunder, and continue this Lease in effect, without in any way waiving the City's right to exercise its default rights hereunder, or any other remedies provided by law, for said breach. In addition, any waiver by the City of any default, breach, or omission of Lessee under this Lease shall not be construed as a waiver of any subsequent or different default, breach, or omission.

ARTICLE XVIII. NOTICES.

All notices by either party to the other shall be made by depositing such notice either in the registered or certified mail of the United States of America, postage prepaid, or with another delivery service requiring signature for receipt, and such notice shall be deemed to have been delivered and received on the date of such depositing correctly addressed notice.

All notices to the City shall be mailed to:

Pensacola International Airport
2430 Airport Boulevard, Suite 225
Pensacola, Florida 32504

With an additional copy to:

City Administrator
City of Pensacola
222 West Main Street
Pensacola, Florida 32502

All notices to Lessee shall be mailed to:

Aeronautical Radio, Inc.
2551 Riva Road, MS 5-1B35
Annapolis, Maryland 21401
Attention: Real Estate Dept.

The parties from time to time may designate in writing changes in the address stated.

ARTICLE XIX. RELATIONSHIP OF PARTIES.

It is understood that the City is not in any way or for any purpose partner or joint venture with, or agent of, Lessee in the use of the Leased Premises for any purpose.

ARTICLE XX. PARTIAL INVALIDITY.

If any term or condition of this Lease or the application thereof to any person or event shall to any extent be invalid and unenforceable, the remainder of this Lease and the application of such term, covenant, or condition to persons or events other than those to which it is held to be invalid or unenforceable shall not be affected and each term, covenant and condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXI. SUCCESSORS.

The provisions, covenants and conditions of this Lease shall bind and inure to the benefit of the legal representatives, successors and assigns of each of the parties.

ARTICLE XXII. PUBLIC RECORDS ACT.

The parties acknowledge and agree to fulfill all obligations respecting required contract provisions in any contract entered into or amended after July 1, 2016, in full compliance pursuant to Section 119.0701, *Florida Statutes*, and obligations respecting termination of a contract for failure to provide public access to public records. The parties expressly agree specifically that the contracting parties hereto shall comply with the requirements within Attachment "A" attached hereto and incorporated by reference.

ARTICLE XXIII. ASSIGNMENT.

Lessee shall not assign its interest herein without the written consent of the City. The City's consent shall not be unreasonably withheld. If an assignment is made, the Lessee/Assignor shall continue to be liable, jointly and severally with the Assignee, for the fulfillment of all terms and conditions arising under this Lease subsequent to the assignment, unless the City specifically releases Lessee/Assignor from said future liability, in writing. The release shall be effective only if made in writing. All subsequent assignors and assignees shall be subject to this Article as if they were the original Lessee.

ARTICLE XXIV. SUBLEASE.

Lessee may not sublease all or any portions of the Leased Premises, or all or any portion of any improvements thereon, without first obtaining the written approval of the City for the sublease. Any sublease must be in writing and be made subject to the terms and conditions of this Lease. In addition, before any sublease becomes effective, the subtenant must execute an Agreement with the City, in a form and for a rental amount acceptable to the City, by which the subtenant is authorized to do business on the Airport.

ARTICLE XXV. SURRENDER UPON TERMINATION.

Upon the expiration or sooner termination of this Lease, pursuant to the terms and conditions of this lease, the Lessee shall peaceably surrender to the City possession of the Leased Premises, together with any improvements, fixtures, or personal property of the City located thereon, in as good condition as the Leased Premises and improvements, fixtures and personal property of the City were at the time the Leased Premises were entered upon pursuant to this Lease, or when such improvements, fixtures, or personal property are first provided to Lessee by the City in the future, ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims or interests of Lessee or of any mortgages or third party whose position was derived from or through Lessee.

Lessee shall have fifteen (15) days from date of expiration or sooner termination of this Lease to remove from the Leased Premises all fixtures, improvements and personal property belonging to Lessee. The City shall be entitled to a reasonable rental from Lessee for the use of the Leased Premises for Lessee's personal property, fixtures and improvements until such time as Lessee removes said personal property, fixtures and improvements from the Leased Premises. Furthermore, the City may remove Lessee's fixtures or personal property and place them into storage on Lessee's behalf and at Lessee's cost and expense, until such time as Lessee notifies the City in writing that it does not desire said fixtures and personal property, or upon the running of fifteen (15) days from the expiration or sooner termination of the Lease, whichever event first occurs.

Title to all personal property not removed by Lessee from the Leased Premises or claimed from storage within thirty (30) days of the expiration or sooner termination of this Lease shall be subject to the City taking ownership of such personal property, without payment by the City to the Lessee of any compensation whatsoever, and said personal property shall thereafter be owned by the City free and clear of any claim or interest by Lessee or of any mortgagee or any third party whose position was derived from or through Lessee.

ARTICLE XXVI. LAWFUL AND REASONABLE USE.

Lessee may not do anything in or upon the Leased Premises, nor bring or keep anything therein, which shall unreasonably increase or tend to increase the risk of fire, or cause a safety hazard to persons, or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them, or which violates or causes violation of any applicable health, fire, environmental, or other regulation of any level of government. The Airport Director may inform Lessee of such violation and set a date for abatement.

ARTICLE XXVII. SUBSTITUTION OF PREMISES

Subject to the subparagraph below, Lessee understands and agrees that City has the right to take all or any portion of the Leased Premises, and any additions, alterations, or improvements thereon, should the City, in its sole discretion, determine that said portion of the Leased Premises, and improvements thereon, are required for other Airport purposes. If such action is taken, the City shall substitute areas comparable in access and proximity within the Airport, or any additions or extensions thereof, brought to the same level of improvement and utility as the area taken. City shall bear all expenses of bringing the substituted area to the same level of improvement as the area taken, and of moving Lessee's improvements, equipment, furniture and fixtures to the substituted area. If any of Lessee's improvements, equipment, furniture, or fixtures cannot be relocated, City shall replace, at its own expense, such non-replaceable improvements and other property with comparable property in the substituted area, and City shall be deemed the owner of the non-replaceable improvements and other property, free and clear of all claims of any interest or title therein by Lessee or any mortgagee or other third party claiming an interest in said property by or through Lessee. It is the specific intent of this subparagraph that Lessee be placed, to the extent possible, in the same position it would have been, had City not substituted new

premises for the Leased Premises; provided, however, that City shall not be obligated to reimburse Lessee for lost profits due to such substitution.

Nothing in the subparagraph above shall be construed to adversely affect City's rights to terminate this Agreement in accordance with Article III, Term, should City, in its sole discretion, determine that it requires all or any portion of the Leased Premises, and improvements thereon, for other Airport purposes. City may exercise its termination rights in lieu of the City's substitution rights set forth in the subparagraph above. In the event the City proceeds by way of termination, the subparagraph above shall not apply.

ARTICLE XXVIII. RENEWAL.

Lessee has no guaranteed or preferential right, as against other third parties, of reletting the Leased Premises following the termination of this Lease. Should Lessee wish to relet the Leased Premises following the termination of this Lease, Lessee shall submit an application for lease in accordance with Airport leasing rules and regulations in effect at that time. Lessee's application will be reviewed by the City, along with all other applications, if any, in accordance with then applicable Airport leasing rules and regulations. Past and persistent breaches by Lessee under this Lease shall be sufficient cause for the City, in its sole discretion, to refuse to relet the Leased Premises to Lessee, regardless of whether said past breaches were cured by Lessee.

ARTICLE XXIX. GOVERNING LAW AND VENUE.

This Agreement is governed and construed in accordance with laws of the State of Florida. The law of the State of Florida shall be the law applied in the resolution of any claim, actions or proceedings arising out of the Agreement. Venue for any claim, actions or proceedings arising out of this Agreement shall be Escambia County, Florida.

ARTICLE XXX. HOLDING OVER.

If Lessee remains in possession of the Leased Premises after the expiration of this Lease without written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Lease but shall create only a tenancy from month to month which may be terminated at any time by the City upon thirty (30) days written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Lease.

ARTICLE XXXI. HEADINGS.

The headings contained in this Lease are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provision of this Lease and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

ARTICLE XXXII. ENTIRE AGREEMENT.

This writing is the entire Agreement of the parties. No representation, warranties, inducements, or oral Agreements previously made between the parties shall continue unless stated herein. This Lease shall not be changed, modified, or rescinded except in writing, signed by all parties.

(END OF TEXT; SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and sealed the day and year first above written.

LESSEE

CITY OF PENSACOLA, FLORIDA

(Contractor's Name)

Mayor, Grover C. Robinson, IV

By _____
President

City Clerk, Ericka L. Burnett

(Printed President's Name)

Approved as to Substance:

Attest _____
Corporate Secretary

Department Director

Legal in form and execution:

(CORPORATE SEAL)

City Attorney

Attachment "A"

PUBLIC RECORDS: Contractor shall comply with Chapter 119, Florida Statutes. Specifically, Contractor shall:

- A. Keep and maintain public records required by the City to perform the service.
- B. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- C. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if Contractor does not transfer the records to the City.
- D. Upon completion of the Contract, transfer, at no cost, to the City, all public records in possession of Contractor or keep and maintain public records required by the City to perform the service. If Contractor transfers all public records to the City upon completion of the Contract, Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Contractor keeps and maintains public records upon completion of the Contract, Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request of the City's custodian of public records, in a format that is compatible with the information technology systems of the City.

Failure by Contractor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Contract by the City.

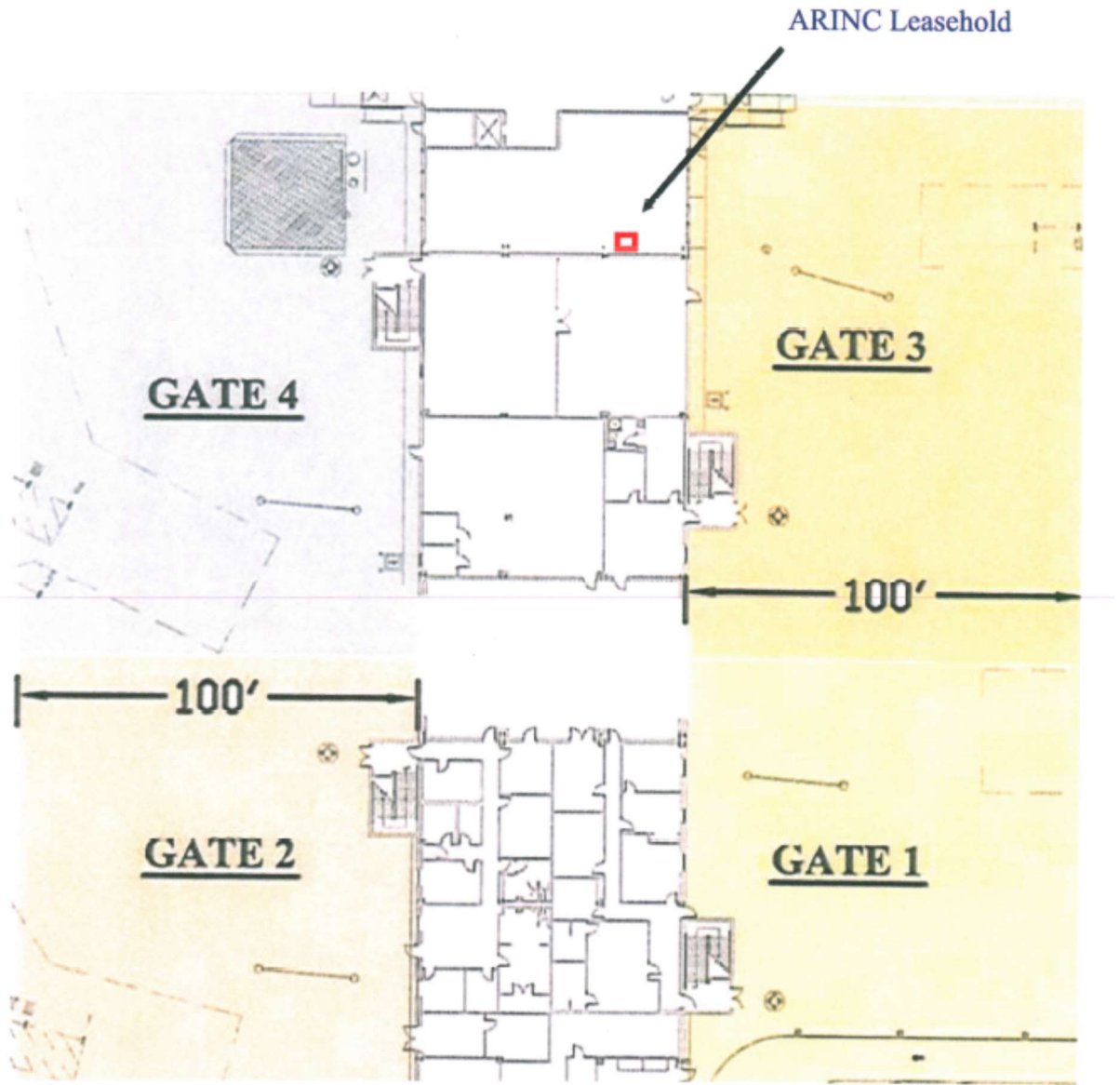
IF CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT:

THE OFFICE OF THE CITY CLERK, (850) 435-1715

PUBLICRECORDS@CITYOFPENSACOLA.COM

222 WEST MAIN STREET, PENSACOLA, FL 32502

EXHIBIT A



PNS Concourse 1st Floor