

**TERMINAL BUILDING LEASE AGREEMENT BETWEEN
THE CITY OF PENSACOLA
AND
VT MOBILE AEROSPACE ENGINEERING, INC.**

THIS LEASE AGREEMENT (“Lease”) made and entered into this _____ day of _____, 2018, by and between the City of Pensacola, a municipal corporation of the State of Florida with the address of 222 W. Main Street, Pensacola, Florida 32502 (“City”), VT Mobile Aerospace Engineering, Inc., a corporation organized in the State of Alabama and duly qualified to do business in the State of Florida with the business address of 2100 Aerospace Drive, Brookley Aeroplex, Mobile, Alabama 36615 (“Lessee”) collectively referred to as “parties”.

WITNESSETH:

WHEREAS, the City owns, operates, and maintains Pensacola International Airport (“Airport”) located in Escambia County, Florida to serve the traveling public with airline services; and

WHEREAS, the Lessee desires to lease from the City property in the terminal building of the Airport for operating space, other related facilities, and general offices as negotiated by the parties; and

WHEREAS, the parties now desire to enter into a lease upon the terms and conditions hereinafter set forth;

NOW, THEREFORE, for and in consideration One Hundred Dollars (\$100), the receipt and sufficiency of which is hereby acknowledged by the parties, and of the premises, and of the mutual covenants and agreements and the payment of money herein contained, the City and Lessee do hereby mutually undertake, promise, and agree as follows:

I. Recitals.

The recitals contained above are declared by the Parties to be true and correct and are incorporated into this Lease.

II. Leased Premises.

City hereby leases to Lessee, and Lessee hereby leases from the City, approximately 591 square feet of space inside the Airport terminal building plus an additional 64 square feet of storage space inside the Airport terminal building as located and depicted on Exhibit “A” attached hereto and incorporated herein by this reference, such leased space hereinafter referred to as the “Leased Premises.”

The 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 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.

III. 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 Lease a monthly rental rate identical to that square foot rental rate charged to the non-signatory air carriers. The rental rate for the 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 first year shall be as follows:

Leased Premises:

<u>Time Period</u>	<u>Rate Per Sq. Ft.</u>	<u>Sq. Ft.</u>	<u>Annual</u>	<u>Monthly</u>
Inception -				
09/30/2018	\$39.87	591	\$23,563.17	\$1,963.60
		64	\$ 2,551.68	\$ 212.64

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.

IV. Utilities.

The Lessee shall be solely liable for the cost of all utility consumption on the Leased Premises and the Lessee shall obtain separate meters accordingly with the exception of utility consumption for the Leased Premises inside the Terminal Building. During the term of this Agreement, the City shall provide existing light, heat, air-conditioning, and electricity for the Terminal building. The City shall not be obligated to provide for the extension of these utilities or to provide for the installation of any other utilities. Any additional requirements Lessee may have shall be the responsibility of the Lessee.

The City reserves the right to invoice the Lessee for its prorata share of power, air conditioning and heating costs. The Lessee shall be solely liable for the cost of any data and voice services required and the Lessee shall obtain a separate account accordingly.

V. Term, Renewal, and Termination.

The Parties hereby agree the Term of this Agreement shall be for three (3) years, commencing on May 1, 2018 and expiring midnight on April 30, 2021. The Parties agree that upon written first renewal request to the City by Lessee, such request received by the City no later than thirty (30) days prior to the expiration of this Lease, the Parties may mutually consent to a first renewal for a one (1) year renewal term, and the Parties further agree that upon written second renewal request to the City by Lessee, such request received by the City no later than thirty (30) days prior to the expiration of the first renewal year, the Parties may mutually consent to an additional second renewal for a one (1) year second renewal term, provided however, both Parties expressly acknowledge no renewal shall be considered by either Party as mandatory or automatic. Lessee acknowledges that the Leased Premises are located in the Airport terminal building and the Lease itself is contingent upon other operations at the Airport, and thus agrees the City may terminate this Agreement by giving Lessee (30) days written notice.

VI. Right of Entry.

- a. Right of Entry and Inspection: The City and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right to enter upon the Leased Premises at all times:

- i. To inspect the areas to determine whether Lessee has complied with and is complying with the terms and conditions of this Lease; and
 - ii. To perform maintenance and make repairs in any case where Lessee is obligated but has failed to do so; and
 - iii. To perform any and all things which the Lessee is obligated to and has failed after reasonable notice so to do; and
 - iv. In the exercise of Lessee's police powers; and
 - v. As necessary for Airport business and operations or pursuant to any term or condition of this Lease in the sole discretion of the Airport Director.
- b. Right to Install Items: The City shall have the right to construct or install over, in, under or through Airport new lines, pipes, mains, wires, conduits and equipment as the City may deem necessary.

VII. Insurance and Indemnification.

General:

The Lessee shall procure and maintain insurance of the types and to the limits specified.

The term City 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 and types of insurance herein required may become inadequate during the term of the Lease. The Lessee agrees that it will increase or change such coverage as required by the City within ninety (90) days upon receipt of written notice from the Airport Director.

Insurance Requirements:

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:

A. Commercial General 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 agreement. 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. Minimum limits of \$1,000,000 per occurrence, and per accident, combined single limit for liability must be provided, with umbrella insurance coverage making up any difference between the policy limits of underlying policies coverage and the total amount of coverage required.

1. Commercial General Liability coverage must be provided, including bodily injury and property damage liability for premises, operations, contractual, products and completed operations, and independent contractors. Broad Form Commercial General Liability coverage, or its equivalent, shall provide at least broad form contractual liability applicable to this specific contract, as well as personal injury liability and broad form property damage liability. The coverage shall be written on an occurrence-type basis.

Certificates of Insurance:

Required insurance shall be documented in the Certificates of Insurance that provide that the City of Pensacola shall be notified at least thirty (30) days in advance of cancellation, non-renewal or adverse change or restriction in coverage. The City of Pensacola shall be named on each Certificate as an Additional Insured and this contract shall be listed. If required by the City, the Lessee shall furnish copies of the Lessee's insurance policies, forms, endorsements, Jackets and other items forming a part of, or relating to such policies. The Lessee may black-out any proprietary or salary information included in any policy required under this agreement that is requested by the City. 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: Airport Administration and Contracts Manager, 2430 Airport Blvd., Suite 225, Pensacola, FL 32504.

Insurance of the Contractor 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 agreement.

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, 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 in the performance of this agreement. 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.

VIII. Compliance with Rules and Regulations.

Lessee shall conform to all Federal, State, or local laws and regulations, as well as all City of Pensacola Codes and Ordinances, and City and Airport rules, regulations and policies all of which may apply to the services to be performed.

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

Lessee observe all security requirements of Transportation Security Administration 49 CFR 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.

Should City incurs any costs, fees, fines or penalties imposed by as a result of the acts or omissions of Lessee under this Section VIII, Lessee shall pay or reimburse the City

upon demand by the Airport Director in accordance with such demand notice for all such monies.

Lessee acknowledges the Airport is a secure and significant facility and as such Lessee shall not through any act or omission cause even the risk of fire, slippage or other hazard whatsoever, or cause any hazard to persons, or property, or obstruct or interfere with the rights of any other Airport tenants, or in any way injure or annoy Airport tenants, or any act or omission which violates or causes violation of any applicable health, fire, environmental, or other regulation of any level of government. Any breach of this paragraph shall be a material breach of the Lease and City expressly may immediately take any action in the sole discretion of the Airport Director to secure correction of such risk exposure, and thereafter Lessee shall pay or reimburse the City upon demand by the Airport Director in accordance with such demand notice for all costs to the City.

IX. Supervision of Employees, Parking.

Lessee shall ensure that its employees conduct themselves in a professional and courteous manner at all times. Lessee's employees shall be appropriately dressed at all times, and maintain a clean, neat, well-groomed appearance. Lessee will be obligated to control the actions of its employees and cooperate with the City in controlling any employee whose conduct the Airport Director feels is detrimental to the best interest of the Airport and public.

City will provide Lessee with reasonably adequate vehicular parking facilities for its employees at the Airport. Such facilities shall be located in an area designated by the Airport Director. The City reserves the right to assess a reasonable charge for such employee parking facilities. Such charge for Lessee parking use shall not exceed that which is charged to other commercial tenants in the Terminal Building.

X. Signs.

Lessee shall not permit signs, logos, or advertising displays placed 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 Airport Director. Signs identifying Lessee shall conform to reasonable standards established by the City, with respect to type, size, design, condition and location.

XI. Assignment.

Any assignment or sublet of this Lease is prohibited and shall be null and void and of no effect.

XII. No Waiver by City.

A failure by City to take any action with respect to any default or violation by Lessee

of any of the terms, covenants, or conditions of this Lease shall not in any respect limit, prejudice, diminish or constitute a waiver of any rights or remedies of City to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default. The acceptance by City of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of this Lease shall not constitute a waiver or diminution of, nor create any limitation upon any right of City pursuant to this Lease to terminate this Lease for subsequent violation or default, or for continuation or repetition of the original violation or default.

XIII. Surrender Upon Termination.

Upon the expiration or termination of this Lease, for any reason whatsoever, Lessee shall peaceably surrender to the City possession of the Leased Premises. Lessee warrants to City that any and all improvements, alterations, or fixtures previously constructed by Lessee shall remain free and clear of any claims or interests of Lessee, Lessee's contractors or subcontractors, creditors, invitees, or any other third party. Should Lessee violate this provision, without waiver of other action by City for City's own benefit, Lessee shall pay to remove any encumbrance, lien or debt associated with Lessee's occupation of the Leased Premises and hereby warrants that Lessee shall hold the City harmless therefrom. Excepting personal property of Lessee, upon surrender, City may in the Airport Director's sole discretion, assume ownership of any fixture or property within the Leased Premises or require Lessee, at Lessee's sole cost and expense to remove any property or fixture.

XIV. Subordination.

This Lease shall be subordinate to existing and future Airport Bond Resolutions. This Lease shall also be subject to and subordinate to agreements between the City and State and Federal agencies for grants-in-aid and to the provisions of any agreements heretofore made between the City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights of property to the City for Airport purposes, or to the expenditure of federal funds for the extension, expansion, or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Airport Act of 1958, as it has been amended from time to time. Any agreement hereafter made between the City and the United States will not be inconsistent with rights granted to Lessee herein.

XV. Attorney's Fees.

The prevailing Party in any action, claim or proceeding arising out of this Lease shall be entitled to attorney's fees and costs from the losing Party.

XVI. Default by Lessee and Remedies of City

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:

1. The failure of the Lessee to pay any sum of money due to City under this Lease, as and when due, and such failure continues uncured for fifteen (15) days after written notice thereof from City; or
2. The failure of Lessee to maintain any of the insurance coverages required by this Lease; or
3. The failure of Lessee to provide copies of insurance policies and such failure continues uncured for ten (10) days after written notice thereof from City; or
4. Except as provided in the preceding paragraphs of this Section, the failure by Lessee to perform any other covenant, obligation, or condition herein required to be performed by Lessee and such failure continues uncured for thirty (30) days after written notice thereof from City; provided, however, that if such failure cannot reasonably be cured within such 30-day period, such failure shall not constitute an event of default if within such 30-day period Lessee substantially commences to cure such failure and thereafter continuously and diligently prosecutes such cure to completion within a reasonable time.

Upon the occurrence of any event of default, City shall be entitled to terminate this Lease, without prejudice to and without thereby waiving any other rights or remedies arising by reason of such event of default, and shall be entitled to exercise all other rights and remedies available to City under this Lease, at law, in equity and otherwise.

XVII. Termination.

Notwithstanding any other provision of this Lease, either party shall have the right to terminate this Lease upon thirty (30) days of issuance of written notice to the other party for convenience. Upon thirty (30) days of issuance of written notice to the other party, Lessee shall vacate the Leased Premises.

XVIII. Force Majeure.

The City shall not be deemed in violation of this Lease if it is prevented from performing any of the obligations hereunder by any reason of strikes, boycotts, labor disputes, embargoes, shortage of material, acts of God, weather conditions, or for any other circumstance for which it is not responsible or which is not within its control.

XIX. Relationship of Parties.

Lessee represents and warrants Lessee is not in any way or for any purpose a partner or joint venturer with or agent of the City. Lessee shall act as an independent contractor in

the performance of its duties pursuant to this Lease.

XX. Notices.

All notices by either party to the other shall be made either by utilizing the registered or certified mail of the United States of America, postage prepaid, or by utilizing any other method of delivery requiring signature for receipt, and such notice shall be deemed to have been delivered and received on the date of such utilization. All notices to the City shall be mailed to:

Airport Director
Pensacola International Airport
2430 Airport Blvd., 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:

VT Mobile Aerospace Engineering, Inc.
2100 Aerospace Drive
Brookley Aeroplex
Mobile, Alabama 36615

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

XXI. Entire Lease.

This writing, together with all the attached exhibits, constitutes the entire agreement of the parties. This Lease supersedes all prior agreements, if any, between the City and Lessee, and no representations, warranties, inducements, or oral agreements that may have been previously made between the parties shall continue in effect unless stated herein. This Lease shall not be modified except in writing, signed by the City and Lessee.

XXII. Partial Invalidity.

If any term or condition of this Lease or the application thereof to any person or event shall to any extent be deemed 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 unenforceable shall not be affected, and each term, covenant and condition of this Lease shall be valid and enforced to the fullest extent permitted by law.

XXIII. Successor.

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.

XXIV. Consents and Approvals.

Where this Lease requires approval from the City, prior written approval from the Airport Director shall be considered to fulfill such requirements.

XXV. Governing Law.

This Lease is governed and construed in accordance with the 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 this Lease.

XXVI. Venue.

Venue for any claim, actions or proceedings arising out of this Lease shall be Escambia County, Florida.

XXVII. Headings.

The headings contained in this Lease are inserted only as 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 of said terms and provisions.

XXVIII. 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.

(END OF TEXT; SIGNATURE PAGES TO FOLLOW)

IN WITNESS WHEREOF, the parties hereto have signed this instrument the day and year first above written.

LESSEE

CITY OF PENSACOLA, FLORIDA

VT Mobile Aerospace Engineering, Inc.
(Operator Name)

Mayor, Ashton J. Hayward, III

By _____
President

City Clerk, Ericka L. Burnett

(Printed President's Name)

Approved As To Substance:

Attest: _____
Corporate Secretary

Department Director/Division Head

Legal in form and valid as drawn:

(CORPORATE SEAL)

City Attorney

Witness 1: _____

Witness 1: _____

Witness 2: _____

Witness 2: _____

Attachment "A"




PUBLIC RECORDS: Consultant/Contractor/Vendor shall comply with Chapter 119, Florida Statutes. Specifically, Consultant/ Contractor/Vendor 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 Agreement term and following the completion of the Agreement if Consultant/ Contractor/Vendor does not transfer the records to the City.
- D. Upon completion of the Agreement, transfer, at no cost, to City, all public records in possession of Consultant/Contractor/Vendor or keep and maintain public records required by the City to perform the service. If Consultant/Contractor/Vendor transfers all public records to City upon completion of the Agreement, Consultant/ Contractor/Vendor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Consultant/Contractor/Vendor keeps and maintains public records upon completion of the Agreement, Consultant/Contractor/Vendor 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 Consultant/Contractor/Vendor to comply with Chapter 119, Florida Statutes, shall be grounds for immediate unilateral cancellation of this Agreement by City.

IF CONSULTANT/CONTRACTOR/VENDOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: THE OFFICE OF THE CITY ATTORNEY, (850) 435-1715, PUBLICRECORDS@CITYOFPENSACOLA.COM, 222 WEST MAIN STREET, PENSACOLA, FL 32502.

EXHIBIT A

-  Circulation
-  Restrooms
-  Gates

