

PORT OF PENSACOLA / MARTIN MARIETTA PROPOSED LEASE AGREEMENT KEY DEAL POINTS

- Primary Lease Term: 3 years with up to 2 mutual option 3-year renewals; written notice of non-renewal must be given 365 days prior to the then-applicable expiration date.
- Use: receiving, storage and shipping of bulk materials including, but not limited to, limestone aggregates, granite, gravel, rip rap rock, and other similar products
- Lease Premises: approximately 4.96 acres of unimproved open laydown area located in the southeastern quadrant of the Port
- Rent:
 - Years 1 – 3: \$104,160 per year (73.6% increase from current rate)
 - Rates to be adjusted at each renewal based on then-appraised property values up to 10%
- Wharfage and Cargo fees:
 - New wharfage rate \$0.71 per short ton (57.7% increase from current rate)
 - Stevedore Fees \$0.18 per short ton
 - Cargo Security per the Port Tariff (currently 10.11% of dockage and \$0.048 per short ton)
- Other charges
 - Common Area Maintenance Fee - \$7, 812 annually (7.5% of base rent)
- Environmental: Lessee must comply with all local, State, and federal laws, rules & regulations, including environmental/Stormwater runoff, and must obtain and maintain in force any and all required local, state or federal permits.
- Performance Guarantees:
 - Company is required to post a Letter of Credit, Bond, or other collateral equal to one year's lease amount.
- Future Port Development Clause:
 - Article 22: "The City reserves the right to further develop or improve all areas within the Port as the City may determine in its sole discretion to be in the best interests of the Port, regardless of the desires or views of the Company, and without interference or hindrance from the Company."