

OPERATING AND LEASE AGREEMENT

Between

JACKSONVILLE AVIATION AUTHORITY

And

CITY OF JACKSONVILLE

For

AIRPORT RESCUE AND FIREFIGHTING SERVICES

At

FIRE STATION 73 AT CECIL AIRPORT

Date Term Commences: 8/8/17

OPERATING AND LEASE AGREEMENT CITY OF JACKSONVILLE - ARFF

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EXHIBIT B TENANT IMPROVEMENTS

OPERATING AND LEASE AGREEMENT

(New Fire Station 73)

This Operating and Lease Agreement ("Agreement") is made and entered into this day of 2017 ("Effective Date") by and between the JACKSONVILLE AVIATION AUTHORITY, a body corporate and politic and a political subdivision of the State of Florida ("JAA"), and the CITY OF JACKSONVILLE, a consolidated political subdivision and municipal corporation of the State of Florida ("City"). The City and JAA may be jointly referred to as the Parties.

WITNESSETH:

WHEREAS, the JAA owns and operates Cecil Airport ("Cecil Airport") as one of the four airports in the Jacksonville Aviation JAA system of airports; and

WHEREAS, the City desires to construct a new fire station to provide for increased service capacity and improved efficiencies to support operations at Cecil Airport and at places in close proximity to Cecil Airport; and

WHEREAS, JAA has land available for a new fire station, which shall hereinafter be referred to as "Fire Station 73", which can be leased to the City; and

WHEREAS, JAA and City have entered into an Interlocal Agreement for the Lease, Construction, and Rehabilitation of Cecil Airport Fire Stations executed by the parties contemporaneously herewith (the "Interlocal Agreement"), which provides for the design, construction and operation of Fire Station 73 on the Premises to meet the Aircraft Rescue and Fire Fighting ("ARFF") needs of the aviation tenants at Cecil Airport; and

WHEREAS, the City, pursuant to Chapter 2004-464, Laws of Florida, currently, through its Fire and Rescue Department, provides such ARFF services required in connection with JAA's operation; and

WHEREAS, JAA and City desire to enter into a new lease agreement for the operation of Fire Station 73 subject to the terms and conditions provided herein;

Now, therefore, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

ARTICLE 1

Recitals

City and JAA acknowledge that the above recitals are true and correct and agree that the provisions thereof are incorporated into and made a part of this Lease.

ARTICLE 2

<u>Uses</u>

Throughout the entire Term (as defined herein) of this Agreement, City shall have exclusive use and occupancy of Premises to allow the Jacksonville Fire and Rescue Department ("JFRD") to conduct its authorized ARFF and Emergency Operations Center ("EOC") services. The JFRD may also use the Premises and facilities to provide fire and rescue services to the general public within proximity of Cecil Airport. This Lease shall be subject to the terms of the Interlocal Agreement, which is incorporated herein by reference, and includes that certain Joint Participation Agreement (#GOIO9) between the

JAA and the Florida Department of Transportation.

ARTICLE 3

Continuous Operation

City shall continuously occupy the Premises and operate in an ongoing manner throughout the Term of the Lease, either directly or by way of a sublessee pursuant to Article 40 herein, unless otherwise agreed to in writing by Authority. In the event City requires an extended termination of operations or vacancy of the Premises, defined as any period in excess of nine (9) consecutive months, JAA shall have the right, in addition to the remedies provided for under Article 14, to terminate the Lease upon thirty (30) days' written notice. For purposes of this article, a vacancy shall not include any vacancy of the Premises due to any alterations, repairs or improvements made to the fire station facilities by the City pursuant to the terms herein.

ARTICLE 4

Premises

- 4.1 <u>Leased Premises.</u> City hereby agrees to lease from JAA all land and improvements as identified in <u>Exhibit A</u> attached hereto and made a part hereof (hereinafter referred to as the "Premises" or "Leased Premises").
- **4.2 As is Condition.** JAA delivers said Premises in "AS IS" condition and JAA implies no warranties or representations, express or implied, with regard to such except as provided for under Articles 5 and 6;
- 4.3 <u>Subject to Survey.</u> The square footages shown herein are estimates, and will be finalized based on a survey of the Premises obtained by the City after completion of construction of the Tenant Improvements pursuant to Article 5. Based upon the final survey, Exhibit A will be modified by the Parties as necessary to reflect the correct square footage of each area;
- 4.4 Title. Title to the Premises, as defined herein, remains and will remain with Authority.

ARTICLE 5

Construction of Improvements

5.1 City shall design and construct the tenant improvements as defined in **Exhibit B** attached hereto ("Tenant Improvements") at the City's expense and subject to the Interlocal Agreement.

JAA shall own all improvements constructed on the Premises. The Tenant Improvements shall be reviewed and approved by the Parties.

ARTICLE 6

Additional Tenant Improvements

6.1 City may construct additional tenant improvements to the Premises subject to JAA review and approval, which approval shall not be unreasonably withheld. All costs associated with additional tenant improvements shall be borne by City.

ARTICLE 7

Term

7.1 <u>Term.</u> The term of this Lease shall commence upon the earlier of: (a) Thirty (30) days after Substantial Completion, defined as such date that a certificate of occupancy is obtained, (b) the day the City agrees and takes Beneficial Occupancy, defined as the occupancy or use of any

part of the Premises prior to Substantial Completion, or (c) on such earlier or later date as may be agreed to in writing by both Parties ("the Commencement Date"), and terminate at midnight on the last day of the fortieth (40) year from the date of Commencement (hereinafter referred to as the "Term"), unless terminated sooner in accordance with this Lease. Lease Year when used in this Lease means the twelve (12) month period beginning upon the Commencement Date and each consecutive twelve (12) month period thereafter, until the expiration or termination of this Lease. The Parties shall memorialize the Commencement Date in writing.

- 7.2 Option to Extend. Provided the Lease is then in effect and City is not in default of any provisions of the Lease at the time of the exercise of the rights provided in this Article, City shall have one (1) ten (10) year option to extend this Lease (hereinafter referred to as "Extended Term"). City's rights to the aforementioned extension option shall be subject to the following conditions:
 - A. Notice. In order to exercise the extension option, City shall give JAA written notice, at least one hundred eighty (180) calendar days prior to the end of the Term or Extended Term, whichever is applicable;
 - B. During any Extended Term, if applicable, all provisions of this Lease shall remain in full force and effect.

ARTICLE 8

Rent, Fees, and Charges

- 8.1 Rent, Fees and Charges. Effective on the Commencement Date, City shall pay JAA zero/100 and dollars (\$0.00) per year.
- 8.2 <u>Triple Net Lease.</u> This Lease shall be deemed to be "triple net" without cost or expense to JAA, including, but not limited to, costs and expenses relating to taxes, insurance, and maintenance, including structural (regardless of whether buildings and improvements are then owned by City or JAA) and the operation of the Premises. The Parties acknowledge that City is a tax exempt entity.

ARTICLE 9

Reserved

ARTICLE 10

Security for Payment

10.1 <u>Security Deposit.</u> No security deposit shall be required.

ARTICLE 11

Reserved

ARTICLE 12

Reserved

Obligations of City and JFRD

13.1 City shall:

- A. Conduct its operation hereunder in a safe, 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 or around the Premises.
- B. Control, within reason, the conduct of its employees, invitees, and of those doing business with it and, upon objection from JAA concerning the conduct, shall immediately take all reasonable steps necessary to remove the cause of objection.
- C. Remove from the Premises or otherwise dispose of in a lawful manner all garbage, debris, and other waste materials (whether solid or liquid) arising out of its occupancy of the Premises or out of its operations. Any such debris or waste which is temporarily stored in the open shall be kept in suitable garbage and waste receptacles equipped with tight-fitting covers and designed to safely and properly contain whatever material may be placed therein. City shall use extreme care when effecting removal of all such waste.
- D. Not commit any nuisance, waste, or damage to the Premises or other areas of the Airport 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 damage to the Premises.
- E. Not create nor permit to be caused or created upon the Airport or the Premises any obnoxious odor, smoke, or noxious gases or vapors.
- F. Not do or permit to be done anything which may interfere with effectiveness or accessibility of any utility or other system, including the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located on the Premises.
- G. 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.
- H. 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 or any part thereof or other contiguous property; or
 - (2) Which may constitute an extra-hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Lease.
- I. Not keep or store flammable liquids within any covered and enclosed portion of the Premises in violation of applicable law or in excess of City's working requirements. Any such liquids having a flash point of less than 110°F shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories.
- J. Provide frequency protection within the aviation air/ground VHF frequency band and the UHF frequency band in accordance with restrictions promulgated by the Federal Aviation

- Administration for the vicinity of the FAA Remote Receiver facility.
- K. Pay all applicable sales taxes, ad valorem taxes, and any other taxes or assessments with respect to or against the Premises or the leasehold estate, whether billed to the JAA or City. City reserves the right to contest any such taxes and withhold payment of such taxes, so long as the nonpayment of such taxes does not result in a lien against the leased Premises or a direct liability on the part of Authority. The Parties acknowledge that City is a tax exempt entity.
- L. Be responsible for all costs and expenses relating to taxes, insurance, and maintenance (regardless of whether buildings and improvements are then owned by Tenant or Authority) and the operation of the Premises as this Lease is deemed to be "triple net."

13.2 City through its Jacksonville Fire and Rescue Department (JFRD) Shall:

- A. Provide sufficient ARFF personnel and apparatus to comply with the National Aerospace Standard, Facility Requirements for Aircraft Operations NAS3306 standards ("NAS3306").
- B. Provide required ARFF personnel and apparatus 24 hours a day, 7 days a week continuously.
- C. Notify JAA within 24 hours if Station 56 plans to fall below the standard listed in NAS3306. JAA realizes under certain circumstances unplanned degradation in personnel manning or equipment outages may occur from time to time. During these times, JFRD shall immediately notify JAA of the degradation or outage and provide a time estimate when the standards will be back in force.
- D. Provide and maintain adequate ARFF equipment, staffing, and firefighting agents to meet the requirements of the applicable standard.
- E. Maintain an ARFF Personnel Training and Qualifications Program to ensure ARFF personnel are qualified to effectively perform their ARFF activities. JFRD shall maintain records of the training program for a period of 2 years.
- F. Insure that personnel abide by the airport rules and regulations, dated January 28, 2013, or as revised.
- G. Make available for review upon reasonable request by JAA all records involving personnel ARFF qualifications and training, equipment capabilities and performance test and results of response drills or exercises.
- H. In the future, as desired by JAA or as required by the FAA (AST office), JFRD will work with JAA to accommodate additional ARFF training and manning during a planned space operation. This future activity for commercial space launches at Cecil Spaceport will be at the expense of JAA (cost for JFRD personnel time and apparatus use).
- JFRD will continue to respond to aircraft emergencies as outlined in the ATC/JAA/JFRD Emergency Letter of Agreement, dated February 16, 2010.

- J. JFRD will respond with appropriate ARFF equipment and personnel to incidents or emergencies resulting from ground or flight operations conducted at Cecil Airport.
- K. JFRD will participate in the Airport Security Program.
- L. JFRD personnel assigned to Cecil Airport shall attend annual Airport Safety and Security training and obtain a Cecil Airport Badge (at no cost to JFRD).

Default and Termination Rights of JAA

- 14.1 <u>Events of Default.</u> The occurrence of any of the following events shall constitute a default of this Lease:
 - A. City's failure to observe, keep, or perform any of the other terms, covenants, agreements, or conditions of this Lease, the Interlocal Agreement, or in the Airport Rules and Regulations for a period of thirty (30) days after written notice by Authority;
 - B. City's vacating or abandoning the Premises;
 - C. City's interest under this Lease being sold under execution or other legal process;
 - D. City's interest under this Lease being modified or altered by any unauthorized assignment or subletting or by operation of law;
 - E. City's failure to comply with its environmental obligations, any laws, programs, or audits promulgated by JAA or applicable regulatory agencies which may be revised from time to time
 - F. Noncompliance with Florida Statute 287.133 Concerning Criminal Activity on Contracts with Public Entities.
- 14.2 <u>Remedies.</u> In the event of any of the foregoing events of default, Authority, at its election, may declare this Lease to be terminated, ended and null and void, and re-enter upon and take possession of the Premises whereupon all right, title and interest of City in the Premises shall end.
- Additional Provisions. No re-entry or retaking possession of the Premises by JAA shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention be given to City, nor shall pursuit of any remedy herein provided constitute a forfeiture or waiver of any rent or other monies due to JAA hereunder or of any damages accruing to JAA by reason of the violations of any of the terms, provisions, and covenants herein contained. Authority's acceptance of rent or other monies following any non-monetary event of default hereunder shall not be construed as Authority's waiver of such event of default. No forbearance by JAA of action upon any violation or breach of any of the terms, provisions, and covenants herein contained shall be deemed or construed to constitute a waiver of the terms, provisions, and covenants herein contained. Forbearance by JAA to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a

- waiver of any other violation or default. Legal actions to recover for loss or damage that JAA may suffer by reason of termination of this Lease or the deficiency from any reletting as provided for above shall include the expense of repossessions or reletting and any repairs or remodeling undertaken by JAA following repossession.
- 14.4 Waiver of Jury Trial. JAA and City shall, and they hereby do, waive trial by jury in any action, proceeding, or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of, or in any way connected with, this Lease, the relationship of JAA and City, City's use or occupancy of the Premises and/or building, and/or claim or injury or damage. In the event JAA commences any proceeding to enforce this Lease or Authority/City relationship between the parties or for nonpayment of rent (of any nature whatsoever) or additional monies due JAA from City under this Lease, City will not interpose any counterclaim of whatever nature or description in any such proceedings. In the event City must, because of applicable court rules, interpose any counterclaim or other claim against JAA in such proceedings, JAA and City covenant and agree that, in addition to any other lawful remedy of Authority, upon motion of Authority, such counterclaim or other claim asserted by City shall be severed out of the proceedings instituted by JAA and the proceedings instituted by JAA may proceed to final judgment in the Circuit Court of Duval County, Florida, separately and apart from and without consolidation with or reference to the status of each counterclaim or any other claim asserted by City.
- 14.5 <u>Time of the Essence.</u> Time is of the essence of this Lease, and in case City shall fail to perform the covenants or conditions on its part to be performed at the time fixed for the performance of such respective covenants or conditions by the provisions of this Lease, JAA may declare City to be in default of such Lease.

Maintenance and Repair

- 15.1 <u>City's Responsibilities.</u> City shall throughout the term of this Lease assume the entire responsibility and shall relieve JAA from all responsibility for all repair and maintenance whatsoever with respect to the Premises, whether such repair or maintenance be ordinary or extraordinary, or otherwise, and without limiting the generality hereof, shall:
 - A. Keep at all times in a clean and orderly condition and appearance the Premises and all City's fixtures, equipment and personal property which are located in any part of the Premises which is open to or visible by the general public.
 - B. Paint the exterior and interior of the Premises, repair and maintain all doors.
 - C. Repair and maintain all building systems, including but not limited to HVAC, electrical, Fire Suppression system, plumbing, compressed air, landscaping, windows, pavements, equipment, lighting fixtures, furnishings, fixtures, roof, exterior walls and structural support systems.
 - D. Provide and maintain fire protection and safety equipment and all other equipment of every kind and nature required by any law, rule, order, ordinances, resolutions, or

- regulations of any competent authority.
- E. Keep all areas of the Premises, including the apron areas, in state of good repair to include repair of any damage to the pavement or other surface of the Premises or any building improvements caused by weathering and/or aging, City's operations, or by any oil, gasoline, grease lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- F. Take reasonable anti-erosion measures, including but not limited to the planting and replanting of grasses with respect to all portions of the Premises not paved or built upon.
- G. Be responsible for the maintenance and repair of all utility service lines except common utilities, if any, including but not limited to service lines for the supply of water, gas service lines, electrical power and telephone conduits and line, sanitary sewers and storm sewers which are now or which may be subsequently located upon the Premises and used by City or any subtenants.
- Authority's Rights. JAA shall not be liable for, or required to make, any repairs or perform any maintenance upon the Premises. If City fails to perform City's maintenance responsibilities, JAA shall have the right, but not the obligation, to perform such maintenance responsibilities, provided JAA has first, in any situation not involving an emergency, by written notice to City, afforded City a period of thirty (30) days within which to commence corrective action to correct the failure, which may include a corrective action plan. The corrective action plan shall begin corrective action within thirty (30) days, unless in case of emergency, or in the case of written approval by the JAA of a later start date. All costs incurred by JAA in performing City's maintenance responsibility, plus a twenty-five percent (25%) administrative charge, shall be paid by City within thirty (30) days of receipt of billing therefore.

Leasehold Improvements

- 16.1 <u>No Improvements.</u> City shall make no alterations or improvements to the Premises without the prior written consent of the Authority, which approval shall not be unreasonably withheld.
- 16.2 Conditions When Consent to Improve Given. If City requests permission to make improvements or alterations, and permission is granted, City shall comply with all federal, state and local requirements as well as any restrictions or conditions imposed by JAA with respect to the improvements. By way of example and not limitation, such restrictions or conditions by JAA may require that City: (i) obtain all required permits and licenses necessary to comply with applicable zoning laws, building codes, and other laws or regulations of any appropriate governing body; (ii) require that all contractors and subcontractors who are to perform work qualify and be approved by Authority; and/or (iii) post with JAA a performance and payment bond, as required by Florida Statute 255.05, in an amount equal to the estimated cost of alterations or improvements. In addition to compliance with any restrictions or conditions, City agrees to pay all costs and expenses necessary to design and construct Authority-approved alterations or improvements, and to maintain at its expense the Leased Premises and any

- improvements, equipment, or displays within the Leased Premises in a good state of repair and preservation.
- 16.3 Certification of Improvement Costs. The cost of all future leasehold improvements, fixtures, and equipment shall be borne by City, unless the JAA agrees in writing after the date of this Lease to pay any such costs. Upon completion of any leasehold improvements, City shall furnish JAA with a certified statement of all approved improvement costs and that said costs have been satisfactorily paid in full. City shall provide a performance bond and payment for the construction of any authorized Leasehold Improvements if required by § 255.05, Florida Statutes.

Title to Improvements

All permanent improvements of whatever kind or nature, including but not limited to all buildings and all equipment installed therein which, under the laws of the State of Florida, are part of the realty, heating and air conditioning equipment, interior and exterior light fixtures, fencing, landscaping, paving, tiedown facilities, and all other permanent improvements which become part of the realty placed upon the Premises, with or without consent of Authority, shall become and be deemed to be a part of the Premises, shall be free and clear of all liens, shall become the property of Authority upon termination or default of this Lease, and shall remain on the Premises unless otherwise directed by the Authority. Title to all personal property, furnishings, and trade fixtures, unless paid for by the Authority, shall be and remain with City and may be removed from the Premises at any time, provided City is not then in default hereunder, and further provided City exercises care in the removal of same and repairs any damage to the Premises caused by said removal. Personal property, furnishings, and trade fixtures which are paid for by the JAA shall be titled to the Authority and shall not be removed from the Premises without prior written consent of the Authority.

ARTICLE 18

Construction Lien

Authority's interest in the Premises shall not be subjected to any construction, mechanics, materialman's, tax, laborer's, or any other lien, whether JAA has given its written approval for the improvements or otherwise, and City shall save and hold harmless JAA and its interest in the Premises from any such lien or purported lien. Within fifteen (15) days of filing of any lien, City shall cause same to be satisfied or shall post bond for the lien.

ARTICLE 19

Utilities

City shall make all provisions it deems necessary for connection to necessary utilities and shall pay the full cost and expense for installation and use of all said utilities. All such utilities shall be segregated by a separately metered account in City's name and JAA shall not be responsible for payment of any utility service used by City.

ARTICLE 20

Ingress and Egress

- 20.1 <u>Use of Public Way</u>. City, its contractors, suppliers of material, and furnishers of services shall have the right of ingress and egress to the Premises via appropriate public way to be used in common with others having rights of passage within the Premises, provided that JAA may, from time to time, substitute other means of ingress and egress so long as an alternate adequate means of ingress and egress is available.
- 20.2 Road Closures. JAA may at any time temporarily or permanently close any such roadway and any other area at the Premises presently or hereafter used as such, so long as a means of ingress and egress is made available to City. City hereby releases and discharges Authority, its successors and assigns, of and from any and all claims, demands, or causes of action which City may now or at any time hereafter have against any of the foregoing arising or alleged to arise out of the closing of any street, roadway, or other areas used as such, whether within or outside the Premises, provided that JAA makes available to City an alternate means of ingress and egress.

ARTICLE 21

Taxes, Permits, Licenses

In addition to those obligations set forth in Article 8, City shall bear, at its own expense, all costs of operating its equipment and business including any and all ad valorem, sales, use, or other taxes levied, assessed, or charged upon or with respect to the leasehold estate, the Premises, improvements, or property City places thereon and any assessed against the operation of the business and any ad valorem, sales, use, or similar taxes levied or assessed on any payments made by City hereunder, regardless of whether said items are billed to JAA or the City. City shall bear all costs of obtaining any permits, licenses, or other authorizations required by JAA or law in connection with the operation of its business at the Airport, and copies of all such permits, certificates, and licenses shall be forwarded to Authority.

ARTICLE 22

Insurance

The City of Jacksonville is self-insured for general liability, automobile liability, and workers' compensation claims. The self-insured program (Program) is established pursuant to Chapter 128 of the City Ordinance and is administered by the City of Jacksonville's Division of Risk Management.

The Program will respond to general liability and automobile liability losses arising directly and indirectly from the negligent acts or omissions of the City employees and participating authority's employees subject to the provisions and limitations imposed under Section 768.28, Florida Statutes. The Program does not provide for a waiver of sovereign immunity beyond the statutory limitations on liability provided in Section 768.28, Florida Statutes. Any state court judgment in excess of \$200,000 per claimant or \$300,000 per occurrence must be approved by the Florida Legislature through the legislative claim bill process.

Workers' Compensation coverage is also self-insured to conform to statutory requirements.

Indemnification

Subject to the provisions and limitations of Section 768.28, Florida Statutes, the City hereby agrees that it shall indemnify, defend, and hold the JAA harmless against any and all claims, actions, demands, injuries, losses, penalties, and damages of whatsoever kind or nature, whether prosecuted by the City or third parties, resulting from any act, action, or omission, including, but not limited to, personal injuries, including death, property damage or any other loss arising out of, incidental to, or in any way connected to the City's negligent acts and/or omissions with respect to its activities on or its use and occupation of the Premises, including leakage or spillage of any substance used or handled by the City, except when such claim, action, demand, loss, liability, damage, or injury results from the gross or willful negligence of the JAA. In no event shall the City be held responsible for any negligent act committed by the JAA or any person or entity acting at its direction or on its behalf. This Article shall survive the Term of this Agreement for actions which occurred during the Term of this Agreement, whether such Term expires naturally by the passage of time or is terminated earlier pursuant to the provisions of this Agreement. It is expressly agreed that City shall neither indemnify, defend, nor hold the JAA harmless for events, occurrences, or conditions which took place prior to the Effective Date of this Agreement or assume any liability or responsibility for the same. With respect to all indemnifications referenced in this Lease, the Parties are governed by the provisions of 768.28, Florida Statutes, and nothing in this Lease shall be deemed to be a further waiver of the limited waiver of sovereign immunity afforded the Parties set forth herein.

ARTICLE 24

Compliance with Laws, Regulations, Ordinances, Rules

City shall at all times comply with applicable federal, state, and local laws and regulations, Airport Rules and Regulations, Airport Minimum Standards, and the JAA Leasehold Development Standards and other mandates whether existing or as promulgated from time to time by the federal, state, or local government, JAA, or Airport Management, including but not limited to permitted and restricted activities, security matters, parking, ingress and egress, environmental and storm water regulations, and any other operational matters related to the operation of the Airport. This shall include, but not be limited to, City's precluding its employees, agents, customers, or invitees from entering upon any restricted area of the Airport as noted in procedures, rules, or regulations of the federal, state or local governments or the Authority.

ARTICLE 25

FAA Approval

This Lease may be subject to approval of the Federal Aviation Administration (herein referred to as the "FAA"). If the FAA disapproves the Lease, either party may terminate the Lease by providing written notice.

ARTICLE 26

Environmental Regulations

26.1 Environmental Representations

Notwithstanding any other provisions of this Lease, and in addition to any and all other Lease

requirements and any other covenants and warranties of City, City hereby expressly warrants, quarantees, and represents to Authority, upon which JAA expressly relies that:

- A. City is knowledgeable of any and all federal, state, regional, and local governmental laws, ordinances, regulations, orders, and rules, without limitation which govern or which in any way apply to the direct or indirect results and impacts to the environmental and natural resources due to, or in any way resulting from, the conduct by City of its operations pursuant to or upon the Premises. City agrees to keep informed of future changes in environmental laws, regulations, and ordinances;
- B. City agrees to comply with all applicable federal, state, regional, and local laws, regulations, and ordinances protecting the environmental and natural resources and all rules and regulations promulgated or adopted as some may from time to time be amended and accepts full responsibility and liability for such compliance;
- City shall, prior to commencement of any such operations pursuant to this Lease, secure any and all permits, and properly make all necessary notifications as may be required by any and all governmental agencies having jurisdiction over parties or the subject matter hereof:
- D. City, its employees, agents, contractors, and all persons working for or on behalf of City have been fully and properly trained in the handling and storage of all such hazardous waste materials and other pollutants and contaminants, and such training complies with any and all applicable federal, state, and local laws, ordinances, regulations, rulings, orders, and standards which are now or are hereinafter promulgated;
- E. City agrees that it will neither handle nor store any toxic waste materials on the Premises.
- F. City shall provide JAA satisfactory documentary evidence of all such requisite legal permits and notifications as hereinabove required.
- G. City agrees to cooperate with any investigation, audit, or inquiry by JAA or any governmental agency regarding possible violation of any environmental law or regulation.
- 26.2 Generator of Hazardous Waste. If City is deemed to be a generator of hazardous waste, as defined by state, federal, or local law, City shall obtain an EPA identification number and the appropriate generator permit and shall comply with all federal, state, regional, and local requirements imposed upon a generator of hazardous waste, including, but not limited to, ensuring that the appropriate transportation and disposal of such materials are conducted in full compliance with the law.
- 26.3 <u>Inventory List.</u> City shall maintain an accurate inventory list (including quantities) of all such hazardous, toxic, and other contaminated or polluted materials, whether stored, disposed of, or recycled, available at all times for inspection at any time on the Premises by JAA officials and also by Fire Department Officials or regulatory personnel having jurisdiction over the Premises, for implementation of proper storage, handling, and disposal procedures.

26.4 Notification and Copies.

Notification of all hazardous waste activities by City shall be provided on a timely basis to JAA or such other agencies as required by law. City agrees a twenty-four (24)-hour emergency coordinator and phone number shall be furnished to JAA and to such appropriate governmental entities, in case of any spill, leak, or other emergency situation involving hazardous, toxic, flammable, or other pollutants or contaminated materials. Designation of this emergency coordination may be required by existing federal, state, regional, or local regulations.

City agrees to provide JAA copies of all permit application materials, permits, monitoring reports, environmental response plan, and regulated materials storage and disposal plans within ten (10) days prior to their required submittal to regulatory agencies having jurisdiction over such matters.

26.5 Violation.

- A. If JAA receives a notice from any governmental entity asserting a violation by City of City's covenants and agreements contained herein, or if JAA otherwise has reasonable grounds upon which to believe that such a violation has occurred, JAA shall have the right, but not the obligation, to contract, at City's sole cost and expense, for the services of persons ("Site Reviewers") to enter the Premises and perform environmental site assessments for the purpose of determining whether there exists any environmental condition that could result in any liability, cost, or expense to Authority. The Site Reviewers shall perform such tests on the Premises as may be necessary, in the opinion of the Site Reviewers, to conduct a prudent environmental site assessment. City shall supply such information as is requested by the Site Reviewers.
- B. If City receives a Notice of Violation or similar enforcement action or notice of noncompliance, City shall provide a copy of same to JAA within twenty-four (24) hours of receipt by City or City's agent. Violation of any part of the provisions of this Article or disposition by City of any sanitary waste, pollutants, contaminants, hazardous waste, toxic waste, industrial cooling water, sewage, or any other materials in violation of the provisions of this Article shall be deemed to be a default under this Lease if not cured within ten (10) days of receipt of notice from JAA, shall be grounds for termination of this Lease, and shall also provide JAA grounds for taking whatever other action it may have in addition to termination based upon default as provided for under this Lease.

ARTICLE 27

Federal Storm Water Regulations

City acknowledges that certain properties and uses of properties within the Airport or on JAA owned land are subject to federal storm water regulations as set forth in 40 CFR Part 122. City agrees to observe and abide by said regulations as applicable to the Premises thereof.

City agrees to participate in any Authority-organized task force or other work group established to coordinate storm water activities at the Airport. In addition, City agrees to participate in Authority's Environmental Compliance Program and is subject to and agrees to periodic inspections conducted by

Airport staff to monitor the management, handling, storage, and disposal practices associated with any petroleum substances, hazardous substances, or waste materials.

City shall be strictly liable, and hereby expressly assumes all responsibility, for all citations, fines, environmental controls and monitoring, clean-up and disposal, restoration, and corrective measures resulting from or in any way connected with the improper use, handling, storage, or disposal of all pollutants or contaminated materials, as same are defined by law, by City or by City's employees, invitees, suppliers or service, providers of materials, or any other person whosoever, regardless of whether or not a default notice has been issued and notwithstanding any other obligations imposed upon City pursuant to the terms of this Lease.

ARTICLE 28

Environmental Inspection

City acknowledges receipt of the Findings of No Significant Impact and Record of Decision report dated November 27, 2012.

Within the last sixty (60) days of the Lease or after Lease termination, JAA shall have the right to have an environmental inspection performed to determine the status of any hazardous substances or hazardous waste as defined by the Comprehensive and Environmental Response, Compensation and Liability Act of 1980 (CERCLA), 42 U.S.C. section 9601(14), pollutants or contaminants as defined in CERCLA, 42 U.S.C. section 9604 (A)(2), hazardous waste as defined in the Resource Conservation and Recovery Act (RCRA), 42 U.S.C. section 6903(5), or other similar applicable federal or state laws and regulations, including, but not limited to, asbestos, PCB's, urea formaldehyde, and radon gas existing on the Premises or whether any said substances have been generated, released, stored or deposited over, or presently exist beneath or on, the Premises from any source.

Subject to the provisions and limitations of Section 768.28, Florida Statutes, City hereby expressly agrees to indemnify and hold JAA harmless from and against any and all liability for fines and physical damage to property or injury or deaths to persons, including reasonable expense and attorney's fees, arising from or resulting out of, or in any way caused by, City's failure to comply with any and all applicable federal, state, and local laws, ordinances, regulations, rulings, orders and standards, now or hereafter promulgated for the purpose of protecting the environment. City understands that this indemnification is in addition to and is a supplement of City's indemnification set forth in other provisions of this Lease and City is in full understanding to the extent of this indemnification and hereby expressly acknowledges that it has received full and adequate consideration and that JAA would not execute this Lease without this Indemnity. This provision of the Lease shall survive termination of the Lease.

With regard to any contamination caused by City or arising by reason of City's use or occupancy of the Premises, City shall immediately take such action as is necessary to clean up and remediate the Premises at its own expense in accordance with applicable federal, state, and local law. The remediation must continue until the applicable governmental authorities have determined that no further action is necessary. If the JAA is unable to lease the Premises during the period of cleanup and remediation due to the environmental condition or cleanup work being performed, in addition to any other damages, City shall be responsible for payment of lost rent or lost use to the Authority.

The firm(s) conducting the site inspection or the site cleanup work must be qualified and approved by Authority, and the methodology used by such firm shall be consistent with the then current engineering practices and methods required by the State of Florida or the United States government and be acceptable to Authority.

City understands and agrees that it is strictly liable for any environmental violation or harm, or any contamination to the soil or the water table under the Premises caused by City or occurring by reason of City's use or occupancy of the Premises. Said liability shall extend beyond the term of the Lease until the Premises are retested and determined to be free of contamination.

City acknowledges that the United States Navy, pursuant to the terms of the 1999 Deed of Transfer, has a continuing right of access and obligation to monitor the environmental status of the entire Cecil Airport property, including the Premises.

ARTICLE 29

Storage Tanks

City agrees that it will not have any underground or above ground storage tanks on the Premises unless specifically authorized in writing by Authority. If any tank is authorized by Authority, City covenants and agrees that it will comply with all federal, state, and local laws and regulations concerning the installation, operation, maintenance and inspection of above ground and underground storage tanks ("Tanks") including financial responsibility requirements.

ARTICLE 30

Americans with Disabilities Act

City shall comply with the requirements of "The Americans with Disabilities Act" (ADA) as published in the Federal Register, Volume 56, No. 144 and the State of Florida Accessibility Requirements Manual (ARM). Additionally, the JAA shall comply with the requirements of the ADA in its design and construction of the fire station facility at the Premises pursuant to Article 6 of this Lease.

ARTICLE 31

Nondiscrimination

- **31.1.1** The City, for itself and its 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:
 - A. no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
 - B. that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.
 - C. that the City will use the premises in compliance with all other requirements imposed by or pursuant to the List of Pertinent Nondiscrimination Authorities.

- 31.2 With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, JAA will have the right to terminate the Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.
- 31.3 Title VI List of Pertinent Nondiscrimination Authorities (Source: Appendix E of Appendix 4 of FAA Order 1400.11, Nondiscrimination in Federally-Assisted Programs at the Federal Aviation Administration)
 - A. During the performance of this Lease, the City, for itself, its assignees, and successors in interest (hereinafter referred to as the "City") agrees to comply with the following nondiscrimination statutes and authorities; including but not limited to:
 - 1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);
 - 49 CFR part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964);
 - The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
 - 4. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR part 27;
 - 5. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);
 - 6. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
 - 7. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
 - 8. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 12189) as implemented by Department of Transportation regulations at 49 CFR parts 37 and 38;
 - 9. The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
 - 10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures non-discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
 - 11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes

- discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- 12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

Rights Reserved to JAA

Rights not specifically granted to City by this lease are expressly and independently reserved to JAA. JAA expressly reserve(s) the right to prevent any use of the described Premises which would interfere with or adversely affect the operation or maintenance of the Airport, or otherwise constitute an Airport hazard.

ARTICLE 33

Right to Entry

JAA shall have the right to enter the Premises after twenty four (24) hours' notice to City and at reasonable times to inspect the Premises for the purpose of determining whether City is in compliance with the requirements of this Lease. If upon inspecting the Premises, the JAA reasonably determines that the City is not in compliance with this Lease, the JAA shall provide the City with a written notice of noncompliance listing the maintenance and repair items that are in noncompliance. If the City does not initiate corrective action to cure the items in noncompliance within ten (10) calendar days and pursue in a diligent manner to complete actions to cure said noncompliance, the JAA may cure said noncompliance items. In the event the JAA cures noncompliance items, the City agrees to be liable to the JAA for payment of all costs incurred by the Authority, including costs and administrative overhead fee of twenty five percent (25%), which shall be due and payable to the JAA within thirty (30) calendar days from the date of written notice from the Authority.

ARTICLE 34

Right of Flight

It shall be a condition of this Lease that JAA reserves unto itself, its successors and assigns, 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 owned by Authority, 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.

City further expressly agrees for itself, its successors and assigns to restrict the height of structures, objects of natural growth and other obstruction on Premises to such a height so as to comply with Federal Aviation Regulation, Part 77.

Property Rights Reserved

This Lease shall be subject and subordinate to all the terms and conditions of any instruments and documents under which JAA acquired the land or improvements thereon, including the deed to the JAA from the Department of Defense, of which said Premises are a part, and shall be given only such effect as will not conflict with nor be inconsistent with such terms and conditions. City understands and agrees that this Agreement shall be subordinate to the provisions of any existing or future agreement between JAA and the United States of America, the State of Florida, or any of its agencies relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the grant or receipt of federal funds for the development of the Airport, and to any terms or conditions imposed upon the Airport by any other governmental entity.

ARTICLE 36

<u>Signs</u>

- Written Approval. Except with prior written approval of Authority, which may be withheld at Authority's sole discretion, City shall not erect, maintain or display any signs or any advertising at or on the exterior parts of the Premises or in the Premises so as to be visible from outside the Premises.
- 36.2 Removal. Upon the expiration or termination of the Lease, City shall remove, obliterate, or paint out, as JAA may direct, at its sole discretion, any and all signs and advertising on the Premises and, in connection therewith, shall restore the portion of the Premises affected by such signs or advertising to the same conditions as existed prior to the placement of such signs or advertising. In the event of failure on the part of City to remove, obliterate, or paint out each and every sign or advertising and to so restore the Premises, JAA may perform the necessary work and City shall pay these costs to Authority.

ARTICLE 37

Quiet Enjoyment

JAA covenants that City shall and may peaceably and quietly have, hold, and enjoy the demised Premises and all parts thereof for the term hereby granted, subject to the terms and provisions hereof.

ARTICLE 38

Mortgage Rights of City

City shall not mortgage, pledge, or hypothecate its property and leasehold interest without the prior written consent of the Authority, which consent shall not be unreasonably withheld. As a condition precedent to obtaining the consent of the Authority, City and its lender shall provide to JAA written evidence that the priority rights of JAA under this Lease will not be adversely affected by such action. In addition, any leasehold mortgage, leasehold deed of trust, or other security financing arrangement shall specifically acknowledge that such financing shall never be construed to pledge, mortgage, encumber, hypothecate, alienate, or otherwise grant or convey all or any part of the fees simple title to the real property underlying the leasehold estate herein given, or leasehold improvements which are the

property of the Authority, as the same is publicly-owned property not subject to encumbrance or involuntary sale or divestiture.

ARTICLE 39

Rent a Separate Covenant

City shall not for any reason withhold or reduce City's required payments of rent and other charges provided in this Lease, it being expressly understood and agreed by the parties that the payment of rent and additional rent is a covenant by City that is independent of the other covenants of the parties hereunder.

ARTICLE 40

Assignment and Subletting

City shall not sublease or assign, directly or indirectly, this Lease, either in whole or in part, without prior written consent of Authority.

ARTICLE 41

Reserved

ARTICLE 42

Eminent Domain

In the event any federal, state, or local governmental entity shall, by exercise of the right of eminent domain or any other power, acquire title in whole or in part of the Airport, including any portion assigned to City, City shall have no right of recovery whatsoever against JAA but shall make its claim for compensation solely against such governmental entity.

ARTICLE 43

Surrender of Premises

City shall surrender up and deliver the leased Premises to JAA upon expiration or termination of this Lease in the same condition as existed at the commencement of the Lease, ordinary wear and tear excepted. Provided City is not in violation of any of the terms and conditions herein or in default in the payment of rents, fees, and any charges required under this Lease, City, at the termination of this Lease, shall remove all of its personal property from the Premises forthwith. Failure on the part of City to remove its personal property on the date of termination shall constitute a gratuitous transfer of title thereof to JAA for whatever disposition is deemed to be in the best interest of Authority. Any costs incurred by JAA in the disposition of such personal property shall be borne by City.

ARTICLE 44

No Acceptance of Surrender

No act or thing done by JAA or Authority's agents or employees during the term of this Lease shall be deemed an acceptance of the surrender of this Lease and no acceptance of a surrender shall be valid unless in writing.

Personal Property

Any personal property of City or of others placed in the leased Premises shall be at the sole risk of City or the owners thereof, and JAA shall not be liable for any loss or damage thereto, irrespective of the cause of such loss or damage, and City hereby waives all rights of subrogation or recovery from JAA for such damage, destruction or loss.

ARTICLE 46

Applicable Law and Venue

This Lease shall be construed in accordance with the laws of the State of Florida. Venue for any action brought pursuant to this Lease shall be in Duval County, Florida. Any action for breach of or enforcement of any provision of this Lease shall be brought in the court of appropriate jurisdiction in and for Duval County, Florida.

ARTICLE 47

Attorney's Fees and Costs

In the event legal action is required hereunder to enforce the rights of the parties pursuant to this Lease, each party in such action shall pay its own costs and attorney's fees, including appellate fees.

ARTICLE 48

Invalidity of Clauses

The invalidity of any portion, article, paragraph, provision, or clause of this Lease shall have no effect upon the validity of any other part of portion thereof.

ARTICLE 49

Notices and Communications

All notices or other communications to JAA or to City pursuant hereto shall be deemed validly given, served, or delivered upon delivery in person or by courier service, and if mailed upon three (3) days after deposit in the United States mail, certified and with proper postage and certified fee prepaid, addressed as follows:

TO AUTHORITY:

TO City:

Chief Executive Officer

Chief, Jacksonville Fire and Rescue Department

Jacksonville Aviation Authority

515 N. Julia Street

14201 Pecan Park Road

Jacksonville, FL 32202

Jacksonville, Florida 32218

cc: Chief, General Aviation

13365 Simpson Way

Office of General Counsel 117 West Duval St., Suite 480

Jacksonville, FL 32221

Jacksonville, FL 32202

or to such other address as the addressee may designate in writing by notice to the other party delivered in accordance with the provisions of this paragraph.

ARTICLE 50

Subordination of Bond Resolution

This Lease and all rights of City hereunder are expressly subordinated and subject to the lien and provisions of any pledge, transfer, hypothecation, or assignment made (at any time) by JAA to secure Bond financing. This Lease is subject and subordinate to the terms, covenants, and conditions of any Bond Resolution heretofore or hereafter adopted that authorizes the issuance of Bonds by Authority. JAA may amend or modify the Bond Resolution or make any change thereto. Conflicts between this Lease and the Bond Resolution shall be resolved in favor of the Bond Resolution.

ARTICLE 51

Federal Right to Reclaim

In the event a United States governmental agency shall demand and take over the entire facilities of the Airport or the portion thereof wherein the Premises are located for public purposes, then this Lease shall hereupon terminate and JAA shall be released and fully discharged from any and all liability hereunder. In the event of such termination, City's obligation to pay rent shall cease; however, nothing herein shall be construed as relieving City from any of its liabilities relating to events or claims of any kind whatsoever prior to this termination.

ARTICLE 52

Relationship of the Parties

City is and shall be deemed to be a consolidated county and municipal government entity acting independently of JAA and responsible to all parties for its respective acts or omissions, and JAA shall in no way be responsible for such acts or omissions.

ARTICLE 53

Airport Notice Zone

City hereby certifies that it is aware that the Premises are located in an Airport Notice Zone and that the Premises may be exposed to significant noise level and/or accident potentials or may be subject to certain restrictions on the development, construction methods (including special lighting restrictions), and use of property. City shall consult Part 10 of Chapter 656, City Ordinance Code, concerning the restrictions that have been placed on the Premises. City further acknowledges that I am aware, as a result of the proximity of the Premises to the airport, airport operations may affect the quiet enjoyment and use of the Premises. Additionally, I acknowledge that airport operations may change due to changes in type of aircraft operating, changes in flight paths and general operations of the airport, and changes resulting from expansion, reconfiguration, or additional runways.

Radon Gas

Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risk to persons who are exposed to it over a period of 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 your county public health unit.

ARTICLE 55

Miscellaneous

All of the terms and provisions hereof shall be binding upon and the benefits inure to the parties hereto and their heirs, personal representatives, successors and assigns. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders. This Lease shall be construed under Florida law. This Lease represents the complete agreement between the parties and any prior understandings or representations, whether written or verbal, are hereby superseded. This Lease may subsequently be amended only by written instrument signed by the JAA and City hereto.

[Remainder of page left blank intentionally. Signature page follows immediately.]

IN WITNESS WHEREOF, the JAA and City have hereunto set their hands and seals the day and year first above written.

JAA: JACKSONVILLE AVIATION AUTHORITY	City: CITY OF JACKSONVILLE
BY: Steven Grossman Title: CEO	Chief Administrative Officer For: Mayor Lenny Curry Under Authority of: Executive Order No. 2015-05 Attested by: Attested by:
O JACKSONALE OF TORION	Attested by: James R. McCain, Jr Corporation Secretary
WITNESSES FOR JAA:	WITNESSES FOR CITY
Signature Signature Name Printed Name Printed Name Printed Name Printed	Signature Alice W Newman Name Printed Signature Lvy Dwyer-Frazee Name Printed
Approved as to form and legality for the Use and reliance of the Jacksonville Aviation Debra A. Braga, Chief Legal Officer	Office of Gerafical Counsel

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AARF Lease @ VQQ

3.14.17

EXHIBIT A

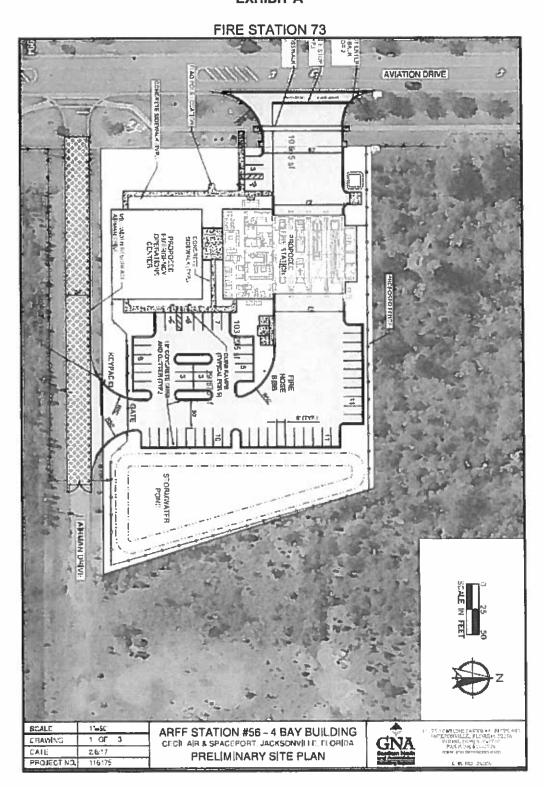


EXHIBIT B

TENANT IMPROVEMENTS

New Fire Station building to be constructed pursuant to design and construction plans as approved by the Parties.