



## UMATILLA CITY COUNCIL MEETING

May 16, 2023 at 6:00 PM

Council Chambers, 1 S. Central Avenue, Umatilla, Florida 32784

### AGENDA

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*Please silence your electronic devices*

#### **PLEDGE OF ALLEGIANCE AND INVOCATION**

#### **CALL TO ORDER**

#### **ROLL CALL**

#### **AGENDA REVIEW**

#### **MINUTES REVIEW**

1. Approval of City Council Minutes  
- May 2, 2023 Regular City Council Meeting Minutes

#### **PRESENTATIONS**

2. Proclamation for National Police Week 2023

#### **PUBLIC COMMENT**

*At this point in the meeting, the Umatilla City Council will hear questions, comments and concerns from the public.*

*Please write your name and address on the paper provided at the podium. Zoning or code enforcement matters which may be coming before the Council at a later date should not be discussed until such time as they come before the Council in a public hearing. Comments, questions, and concerns from the public regarding items listed on this agenda shall be received at the time the Council addresses such items during this meeting. Public comments are generally limited to three minutes.*

#### **CONSENT AGENDA**

3. Airport Ground Lease Agreement between the City of Umatilla and X-Ray 23 Aviation, LLC

#### **PUBLIC HEARING / ORDINANCES / RESOLUTIONS**

#### **NEW BUSINESS**

4. Umatilla High School Scholarship Award 2023

#### **REPORTS**

#### **ADJOURNMENT**

Individuals with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk at least two (2) working days in advance of the meeting date and time at (352)669-3125. F.S. 286.0105 If a

person decides to appeal any decision or recommendation made by Council with respect to any matter considered at this meeting, he will need record of the proceedings, and that for such purposes, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

Any invocation that may be offered before the official start of the Council meeting is and shall be the voluntary offering of a private citizen to and for the benefit of the Council pursuant to Resolution 2014-43. The views and beliefs expressed by the invocation speaker have not been previously reviewed or approved by the Council and do not necessarily represent their individual religious beliefs, nor are the views or beliefs expressed intended to suggest allegiance to or preference for any particular religion, denomination, faith, creed, or belief by the Council or the City. No person in attendance at this meeting is or shall be required to participate in any invocation and such decision whether or not to participate will have no impact on his or her right to actively participate in the public meeting.

**The City of Umatilla is an equal opportunity provider and employer.**



## UMATILLA CITY COUNCIL MEETING

May 02, 2023 at 6:00 PM

Council Chambers, 1 S. Central Avenue, Umatilla, Florida 32784

### MINUTES

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#### CALL TO ORDER

Having been duly advertised as required by law Mayor Adcock led the pledge, gave the invocation, and called the Regular City Council Meeting to order at 6:00 P.M. in the Umatilla City Council Chambers.

#### ROLL CALL

##### MEMBERS PRESENT

Kent Adcock, Mayor

Chris Creech, Vice-Mayor

John Nichols, Council Member

Brian Butler, Council Member

##### Not Present

Katherine Adams, Council Member

Amy Stultz, Library Director

##### ALSO PRESENT

Scott Blankenship, City Manager

Kevin Stone, City Attorney

Jessica Burnham, City Clerk

Regina Frazier, Finance Director

Aaron Mercer, Development and Public Services Director

Adam Bolton, Chief of Police

Vaughan Nilson, Public Works Director

Sherie Lindh, Land Planner

Misti Lambert, Assistant to the City Manager

#### AGENDA REVIEW

Mayor Adcock asked City Manager Blankenship if there were any changes to the agenda to which, Mr. Blankenship asked council to consider moving item number five (5) of public hearings to item number four (4).

**MOTION BY COUNCIL MEMBER NICHOLS TO APPROVE THE AGENDA WITH THE CHANGES STATED; SECOND BY VICE MAYOR CREECH; MOTION APPROVED BY UNANIMOUS VOICE VOTE.**

## **MINUTES REVIEW**

1. Approval of Minutes  
- April 18, 2023, Regular City Council Minutes

**MOTION BY VICE MAYOR CREECH TO APPROVE THE MINUTES; SECOND BY COUNCIL MEMBER BUTLER; MOTION APPROVED BY UNANIMOUS VOICE VOTE.**

## **PRESENTATIONS**

### **PUBLIC COMMENT**

*Mayor Adcock opened public comment*

Jodi Seabrook, Umatilla Chamber, introduced herself to the council and stated she would love to join forces with the City.

*Mayor Adcock closed public comment*

### **CONSENT AGENDA**

2. Surplus Item May 2, 2023

**MOTION BY COUNCIL MEMBER NICHOLS TO APPROVE THE CONSENT AGENDA; SECOND BY VICE MAYOR CREECH MOTION APPROVED BY UNANIMOUS VOICE VOTE.**

## **PUBLIC HEARING / ORDINANCES / RESOLUTIONS**

3. Philips Manufacturing Site Plan

Attorney Stone Swore in the witness providing testimony for this agenda item and asked council to consider things heard during the hearings.

Sherie Lindh, LPG Urban and Regional Planners, provided the council with an overview of the site plan and stated the site plan meets the minimum technical requirements of LDR (Land Development Review) Chapter 13, Section 8 and the landscaping plans meet the minimum technical requirements of LDR (Land Development Review) Chapter 15. The proposed development is consistent with IPUD Ordinance 2022-116 and Master Development Agreement.

*Mayor Adcock opened public comment*

*No one spoke*

*Mayor Adcock closed public comment*

**MOTION BY COUNCIL MEMBER NICHOLS TO APPROVE PHILLIPS MANUFACTURING SITE PLAN; SECONDED BY VICE MAYOR CREECH. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

4. Resolution 2023-05, The Palm Mansion Variance

*\*This item was moved to item number 5*

Attorney Stone read the Resolution by title only.

**Resolution No. 2023-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF UMATILLA, FLORIDA, GRANTING A VARIANCE TO THE LAND DEVELOPMENT REGULATION (LDR) REQUIREMENTS PERTAINING TO INTERSECTION SPACING BETWEEN DRIVEWAY ACCESS FROM 150' TO 80' ON THE SUBJECT PROPERTY OWNED BY JEFFEREY AND EVELYN KRUG AND LOCATED AT 110 NORTH TROWELL AVENUE, PROVIDING FOR AN EXPIRATION DATE AND PROVIDING FOR AN EFFECTIVE DATE.**

Attorney Stone Swore in the witness providing testimony for this agenda item and asked council to consider things heard during the hearings.

Sherie Lindh, LPG Urban and Regional Planners, stated the variance is accosted with the wedding venue and stated the justification submitted indicates that due to site constraints along East Lake Avenue, the pedestrian and bicycle path would be impacted without this variance. In order to provide proper circulation for vehicles a variance is requested.

*Mayor Adcock opened public comment*

*No one spoke*

*Mayor Adcock closed public comment*

**MOTION BY COUNCIL MEMBER NICHOLS TO APPROVE RESOLUTION NO 2023-05, THE PALM MANSION VARIANCE; SECONDED BY VICE MAYOR CREECH. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

- 5. Final Reading of Ordinance 2023-09 The Palm Mansion Wedding Venue Conditional Use Permit

*\*This item was moved to item number 4*

Attorney Stone read the Ordinance by title only.

**Ordinance No. 2023-09**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UMATILLA, COUNTY OF LAKE, STATE OF FLORIDA, APPROVING A CONDITIONAL USE PERMIT TO ALLOW A WEDDING VENUE, LOCATED IN THE UR-5 ZONING DISTRICT FOR THE HEREAFTER DESCRIBED LANDS WITHIN THE CITY OF UMATILLA, FLORIDA; OWNED BY JEFFEREY AND EVELYN KRUG AND LOCATED AT 110 NORTH TROWELL AVENUE, UMATILLA, LAKE COUNTY, FLORIDA; PROVIDING FOR AN EFFECTIVE DATE**

Attorney Stone Swore in the witness providing testimony for this agenda item and asked council to consider things heard during the last hearings.

Sherie Lindh, LPG Urban and Regional Planners, asked to carry forward the report and hearings from the first reading of the Ordinance and mentioned there has been no changes since the first reading.

*Mayor Adcock opened public comment*

*No one spoke*

*Mayor Adcock closed public comment*

**MOTION BY COUNCILMEMBER BUTLER TO APPROVE THE FINAL READING OF ORDINANCE NO 2023-09, PALM MANSION WEDDING VENUE CONDITIONAL USE PERMIT; SECONDED BY COUNCILMEMBER NICHOLS. MOTION PASSED BY ROLL CALL VOTE.**

<b>Council Member Butler</b>	<b>YES</b>
<b>Council Member Nichols</b>	<b>YES</b>
<b>Vice Mayor Creech</b>	<b>YES</b>
<b>Mayor Adcock</b>	<b>NO</b>

**NEW BUSINESS**

**6. Turtle Cove Preliminary Plat Subdivision Plans**

Attorney Stone Swore in the witness providing testimony for this agenda item and asked council to consider things heard during the hearings.

Sherie Lindh, LPG Urban and Regional Planners, stated pursuant to Annexation Ordinance 2022-112 development of the site must be consistent with the ordinance and conceptual development plan.

*Mayor Adcock opened public comment*

*No one spoke*

*Mayor Adcock closed public comment*

**MOTION BY COUNCIL MEMBER NICHOLS TO APPROVE TURTLE COVE PRELIMINARY PLAT SUBDIVISION PLANS; SECONDED BY COUNCIL MEMBER BUTLER. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

**REPORTS**

7. Staff Report

Chief Bolton had nothing to report

Ms. Frazier stated that we are on week three of the software conversion.

Mr. Mercer had nothing to report

Mr. Nilson had nothing to report

Ms. Lambert had nothing to report

Attorney Stone mentioned he would have a legislative update for council at the next meeting.

City Manager Blankenship had nothing to report

Council Member Butler had nothing to report.

Vice Mayor Creech had nothing to report

Council Member Nichols spoke of the second medivac flight that used the City's Airport.

Mayor Adcock had nothing to report

**MOTION BY COUNCIL MEMBER NICHOLS TO ADJOURN; SECONDED BY VICE MAYOR CREECH. MOTION PASSED BY UNANIMOUS VOICE VOTE.**

**ADJOURNMENT**



With no further business for discussion, meeting adjourned at approximately 6:33 p.m.

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Kent Adcock, MAYOR

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Jessica Burnham  
City Clerk

DRAFT



**CITY OF UMATILLA  
AGENDA ITEM STAFF REPORT**

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**DATE: May 10, 2023**

**MEETING DATE: May 16, 2023**

**SUBJECT: Airport Ground Lease Agreement between The City of Umatilla and X-Ray 23 Aviation, LLC**

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**BACKGROUND SUMMARY:**

This is a thirty-year ground lease agreement with an annual payment of with an annual payment of \$4,060.00 and hanger construction requirement for X-Ray 23 Aviation, LLC and The City of Umatilla. The agreement requires the tenant to perform any necessary site work and construct and maintain a hanger of good commercial quality at least 2,000 square feet in size, together with other aviation-related improvements on the site for the purpose of storing and maintaining aircraft, including improvements desired by tenant for aircraft parking, storage, and maintenance, and flight instruction pursuant to Federal Aviation Administration standards and all applicable local, state, and federal laws and regulations.

If the City does not approve the tenant’s hangar, or tenant is otherwise unable to build a hangar due to a refusal or failure to act by City, this Agreement shall be terminated and of no further force and effect.

All construction shall be subject to the approval of the City and the hangar shall be designed and constructed with a material and color to match (galvalume) and complement other hangars on the Airport property.

Hangar construction shall be completed within 180 days of its commencement.

**RECOMMENDATIONS:**

Approval of the ground lease with X-Ray 23 Aviation, LLC

**FISCAL IMPACTS:**

\$4,060.00+ annual revenue to airport fund

**ATTACHMENTS:**

1. Airport Ground Lease Agreement between The City of Umatilla and X-Ray 23 Aviation, LLC
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**AIRPORT GROUND LEASE AGREEMENT**

**BETWEEN**

**THE CITY OF UMATILLA, FLORIDA**

**AND**

**X-RAY 23 AVIATION, LLC**

**THIS AIRPORT GROUND LEASE AGREEMENT** (“Agreement”) is made and entered into by and between the **CITY OF UMATILLA, FLORIDA**, a municipal corporation, which shall be called the “Lessor” in this Agreement, and **X-RAY 23 AVIATION, LLC**, a Florida limited liability company, the “Tenant” in this Agreement and whose mailing address is 1749 Lake Terrace Drive Eustis, FL 32726, for a hangar site at the City of Umatilla Municipal Airport (“Airport”).

In consideration of the mutual terms and conditions contained in this Agreement and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto do hereby agree as follows:

**I. GROUND LEASE**

- A. Agreement to Lease Premises.** Lessor hereby leases to Tenant and Tenant hereby leases from Lessor the Airport hangar site more particularly described in Exhibit “A” attached hereto and incorporated herein by reference (the “Premises”) for the purposes set forth in this Agreement. Tenant agrees to accept the Premises “as is,” and Lessor makes no warranty as to the condition of the Premises or their suitability for any particular purpose.
- B. Purpose of Agreement.** Subject to the terms of this Agreement, Tenant will, at Tenant’s sole cost and expense, perform any necessary site work and construct and maintain a hangar of good commercial quality at least 2000 square feet in size, together with other aviation-related improvements on the Premises for the purpose of storing and maintaining aircraft, including improvements desired by Tenant for aircraft parking, storage, and maintenance, and flight instruction pursuant to Federal Aviation Administration standards and all applicable local, state, and federal laws and regulations. Tenant may make such further ancillary improvements beyond the foregoing within Tenant’s hangar that Tenant so desires, so long as such improvements are done pursuant to Federal Aviation Administration standards and all applicable local, state, and federal laws and regulations. Tenant shall not make or cause to be made to the Premises any alteration or improvement without Lessor’s prior written consent (in Lessor’s sole discretion). Lessor’s approval and permitting of Tenant’s hangar is a condition precedent to the effectiveness of this Agreement. If Lessor does not approve Tenant’s hangar, or Tenant is otherwise unable to build Tenant’s hangar due to a refusal or failure to act by Lessor, this Agreement shall be terminated and of no further force and effect. Tenant shall not alter or improve any area of the Airport that is not leased by Tenant. Construction shall be

subject to the approval of the Lessor. The hangar shall be designed and painted a color to complement other hangars on the Airport property. Hangar construction shall be completed within 180 days of its commencement.

- C. **Title to Improvements.** During the term of this Agreement, all portions of the hangar and any other improvements that are constructed or acquired by Tenant shall be and remain the personal property of the Tenant. Upon termination of this Agreement after all renewals provided for in this Agreement and as may be extended by the mutual agreement of the parties or their successors and assigns, title to improvements will be transferred to Lessor.
- D. **Access.** Lessor agrees that if Tenant is not in breach of this Agreement, Tenant and Tenant's employees, officers, directors, subtenants (that are approved by Lessor pursuant to this Agreement), contractors, subcontractors, suppliers, agents, invitees, and other representatives ("Tenant's Associates") are authorized to ingress and egress across the common areas of the Airport (in the areas designated by Lessor, for the purposes for which they were designed, and as permitted by applicable laws and regulations) on a non-exclusive basis and to the extent reasonably necessary for Tenant's use, occupancy, and operations at the Premises.
- E. **Right of Flight and Other Reserved Rights.** This Agreement conveys only a leasehold interest in the Premises on the terms and for the purposes provided herein, and it conveys no other rights, title, or interests of any kind. Among the rights reserved to Lessor, Lessor reserves in the Premises a right of flight for the passage of aircraft in the air, a right to cause such noise as may at any time be inherent in the operation of aircraft, and all other rights, including, but not limited to, water, minerals, oil, and gas.

## II. RENT AND PAYMENT

- A. **Amount Due.** Tenant covenants to pay annual rent to Lessor for Tenant's lease of the Premises in the amount of Four Thousand Sixty Dollars and NO/100 (\$4,060.00) commencing on the Commencement Date. Lessor and Tenant agree that Tenant's annual rent shall increase each year (or fraction of a year) when this Agreement is in effect by a percentage not exceeding the 12-month percentage change in the CPI-U All Urban Consumers index published by the U.S. Bureau of Labor Statistics for the preceding calendar year. Once timely paid, annual prepaid rent shall not be adjustable and shall be considered rent paid in full for the annual period. The rent for any fraction of a year shall be prorated.
- B. **When Due.** Annual rent payments shall be payable in advance and due on or before July 1<sup>st</sup> of each year during the term of this Agreement.
- C. **Payments.** Any amount due in connection with this Agreement or the use of the Airport shall be due without prior notice or demand, except when notice is necessary to make Tenant aware of an amount due, and shall be paid without offset, abatement, or deduction. Lessor shall first apply any sum paid to past due rent (beginning with the most recent amount due). No statement on any check or elsewhere shall be deemed to create an accord and satisfaction. Lessor may accept any payment (including, but not limited to, past due amounts and related charges) without prejudice to Lessor's rights to recover any sum or pursue other remedies provided by this Agreement or by law and without waiving any default under this Agreement. If any check paid on behalf of Tenant is dishonored by a bank, Tenant shall pay all charges that the bank may assess to Lessor plus a service charge of Fifty Dollars (\$50.00) per occurrence. If Lessor

pays any amount on behalf of Tenant (including, but not limited to, civil penalties assessed in connection with Tenant's use of the Airport), such amount shall constitute an advance by Lessor to Tenant and Tenant shall promptly reimburse Lessor upon demand by Lessor. Lessor has the right to apply any sum paid by Tenant to any obligation that Tenant owes to Lessor (whether or not in connection with this Agreement). Tenant shall make payments to Lessor at the following address (or such other address as Lessor may designate in writing from time to time):

City of Umatilla  
 Attn: Airport Manager  
 P.O. Box 2286  
 Umatilla, FL 32784

- D. Past Due Payments.** If Tenant fails to pay when due any amount required to be paid by Tenant under this Agreement, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum from the due date of such amount to the date of payment in full, with interest. In addition, Lessor may also charge a sum of five percent (5%) of such unpaid amount as a service fee, which the parties agree is a reasonable estimate of and liquidated damages for Lessor's additional costs for billing and collection arising from Tenant's failure to make payment in a timely manner.
- E. Additional Costs Not Included in Rent.** Any sum other than rent as required by this Agreement that Tenant is obligated to pay to Lessor arising from or relating to this Agreement or Tenant's use, occupancy, or operations at the Airport constitutes additional costs not included in rent, which may include, but is not limited to, fees, fuel flowage fees for self-fueling activities (at the rate and on the terms imposed by Lessor), fines, civil penalties, damages, claims, interest, charges, permitting fees, impact fees and utility charges.

### III. TERM

- A.** The term of this Agreement shall be for a period of Thirty (30) years commencing on May 1, 2023 (the "Commencement Date") and ending on April 30, 2053 ("Expiration Date") (such period being the "Initial Term").
- B. Renewal.** If this Agreement has not been terminated as provided herein, effective prior to or at the end of the Initial Term, Tenant may renew this Agreement for two (2) additional periods of Five (5) years if Tenant is not in breach of this Agreement and delivers a written notice of renewal to Lessor at least ninety (90) days before the expiration of the Initial Term or the first renewal term.
- C. Renewal in accordance with right of first refusal.** Within ninety (90) days of the final renewal period established in this Agreement, Tenant shall give Lessor written notice if Tenant desires to renew this Agreement. If Tenant desires such renewal, and if Lessor is offering or intends to offer the Premises for lease as an airplane hangar, Lessor and Tenant shall negotiate terms of the extension in good faith.

### IV. USE OF PREMISES

- A. Compliance with Laws.** Tenant and Tenant's Associates shall comply at all times and at Tenant's sole cost with any and all laws and regulations (as amended or otherwise modified from time to time) that are applicable to Tenant's use, occupancy, or operations at the Premises or the Airport, which include, but are not limited to, all laws, statutes, ordinances, regulations, rules, orders, writs, judgments, decrees, injunctions, directives, rulings, guidelines, standards, codes, ordinances, and other pronouncements of any kind having the effect of law including, but not limited to, Umatilla Airport rules and regulations, City of Umatilla ordinances and land development regulations, Federal Aviation Administration rules and guidelines, Florida Department of Transportation rules and guidelines, and state and federal environmental laws. Upon a written request by Lessor, Tenant will verify, within a reasonable time frame, compliance with any Laws and Regulations.
- B. Unauthorized Uses.** Tenant and Tenant's Associates shall use the Premises and the Airport only for purposes that are expressly authorized by this Agreement and shall not engage in any unauthorized use of the same. Unauthorized uses include, but are not limited to, damaging, interfering with, or altering any improvement; restricting access on any road or other area that Tenant does not lease; placing waste materials on the Airport or disposing of such materials in violation of any laws and regulations; any use that would constitute a public or private nuisance or a disturbance or annoyance to other Airport users; driving a motor vehicle in a prohibited Airport location; the use of automobile parking areas in a manner not authorized by Lessor; the storage of fuel in excess of 20 gallons (except that Tenant may store fuel on the Premises in engine-driven equipment with regular built-in fuel tanks such as aircraft fuel tanks or automobile fuel tanks); any use that would interfere with any operation at the Airport or decrease the Airport's effectiveness (as determined by Lessor in its sole discretion); the storage, possession or maintenance of any jet aircraft, although this provision does not apply turboprop aircraft, which are permissible; and any use that would be prohibited by or would impair coverage under either party's insurance policies.
- C. Permits and Licenses.** Tenant shall obtain and maintain in current status all permits and licenses that are required under any Laws and Regulations in connection with Tenant's use, occupancy, or operations at the Premises or the Airport. In the event that Tenant receives notice from any governmental entity that Tenant lacks, or is in violation of, any such permit or license, Tenant shall provide Lessor with timely written notice of the same.
- D. Taxes and Liens.** Tenant shall pay (before their respective due dates) all taxes, fees, assessments, and levies that relate to Tenant's use, occupancy, or operations at the Premises or the Airport and all other obligations for which a lien may be created relating thereto (including, but not limited to, utility charges and work for any improvements). Within thirty (30) days, Tenant shall remove any such lien that may be created or commence a protest of such lien by depositing with Lessor cash or other security acceptable to Lessor in an amount sufficient to cover the cost of removing such lien. When contracting for any work in connection with the Premises, Tenant shall include in such contract a provision prohibiting the contractor or any subcontractor or supplier from filing a lien or asserting a claim against Lessor's real property or any interest therein.
- E. Encumbrances.** Tenant shall not encumber or permit the encumbrance of any real property at the Airport. Tenant shall not encumber or permit the encumbrance of any of Tenant's rights under this Agreement without Lessor's prior written consent, in Lessor's sole discretion. Any purported encumbrance of rights in violation of this Section is void. In connection with

Lessor's consent to any encumbrance, at a minimum the following shall apply: (i) such encumbrance shall only encumber Tenant's leasehold interest for the purpose of securing financing for Tenant's authorized improvements (no other encumbrance shall be permitted); (ii) such encumbrance shall be subordinate to Lessor's interests; (iii) the lienholder must agree to maintain current contact information with Lessor and provide Lessor with concurrent copies of any notices or communications regarding a default; (iv) the lienholder must certify to Lessor that it has reviewed this Agreement and accepted provisions that may affect the lienholder, and that no loan requirements conflict with or materially erode any provisions of this Agreement; (v) any default relating to such encumbrance shall be a default of this Agreement; (vi) the lienholder must agree that upon any default, Lessor shall have a lien with first priority on all Tenant-owned improvements and other property at the Premises; and (vii) such encumbrance shall terminate prior to the expiration date and the lienholder must agree to promptly remove such encumbrance when the obligation that it secures has been satisfied. Lessor shall have no obligation to provide any notices to any lienholder, and Lessor shall have no liability of any kind to any lienholder.

- F. **Damage to Property and Notice of Harm.** In addition to Tenant's indemnification obligations set forth in this Agreement, Tenant, at Tenant's sole cost, shall repair or replace (to Lessor's reasonable satisfaction) any damaged property that belongs to Lessor or Lessor's other tenants to the extent that such damage arises from or relates to an act or omission of Tenant or Tenant's Associates. Tenant shall promptly notify Lessor of any such property damage. If Tenant discovers any other potential claims or losses that may affect Lessor, Tenant shall promptly notify Lessor of the same.
- G. **Signage and Advertising.** Tenant is not authorized to install or operate any signage outside of enclosed structures on the Premises (other than a hangar number or other markings for identification authorized or required by the Lessor), or at the Airport, except with the prior written approval of Lessor (which may be given or withheld in Lessor's sole discretion). Any approved signage shall be at Tenant's expense and shall comply with laws and regulations (including, but not limited to, Airport signage policies and standards and the City of Umatilla's code of ordinances, land development regulations, and permit requirements).
- H. **Security.** Tenant is responsible to comply (at Tenant's sole cost) with all security measures that Lessor, the United States Transportation Security Administration, or any other governmental entity having jurisdiction may require in connection with the Airport, including, but not limited to, any access credential requirements, any decision to remove Tenant's access credentials, and any civil penalty obligations and other costs arising from a breach of security requirements caused or permitted by Tenant or Tenant's Associates. Tenant agrees that Airport access credentials are the property of Lessor and may be suspended or revoked by Lessor in its sole discretion at any time. Tenant shall pay all fees associated with such credentials, and Tenant shall immediately report to the Airport Manager any lost credentials or credentials that Tenant removes from any employee or any of Tenant's Associates. Tenant shall protect and preserve security at the Airport.
- I. **Removal of Disabled Aircraft.** When consistent with laws and regulations, Tenant shall promptly remove or cause to be removed from any portion of the Airport not leased by Tenant any aircraft that Tenant owns or controls if it becomes disabled. Tenant may store such aircraft within Tenant's enclosed improvements or, with Lessor's prior written consent, elsewhere at the Airport on terms and conditions established by Lessor. If Tenant fails to comply with this

requirement after a written request by Lessor to comply, Lessor may (but is not required to) cause the removal of any such aircraft at Tenant's expense by any means that Lessor determines, in its sole discretion, to be in Lessor's best interests.

- J. Maintenance, Repair, Utilities, and Storage.** Tenant's use, occupancy, and operations at the Premises shall be without cost or expense to Lessor. Tenant shall be solely responsible to design and construct all improvements and to maintain, repair, reconstruct, and operate the Premises and all improvements at Tenant's sole cost and expense, including, but not limited to, all charges for utility services (and their installation and maintenance), janitorial services, waste disposal, and ramp repair. Tenant shall at all times maintain the Premises and all improvements in a condition that is equal to the level of maintenance by Lessor in comparable areas and that is clean, free of debris, safe, sanitary, and in good repair. Tenant shall perform all work in accordance with Laws and Regulations and in a good and workmanlike manner. Tenant shall promptly remedy any condition that fails to meet this standard. Without limiting the foregoing obligations, Tenant shall not store on the Premises any inoperable equipment, discarded or unsightly materials, or materials likely to create a hazard; shall not use areas outside of enclosed buildings for storage; and shall store trash in covered metal receptacles. Any substance or material that is regulated by any environmental law or regulation ("Hazardous Materials") shall be governed by Section VII of this Agreement.
- K. Operations and Personnel.** Tenant shall occupy the Premises at all times and shall operate in a manner that promotes effective airport operations. Among other things, Tenant shall use its best efforts to immediately notify the Airport Manager of any condition that Tenant observes at the Airport that may create a hazard or disruption, shall promptly remedy deficiencies in Tenant's operations, and shall promptly respond to Lessor's complaints, requests for information, and requests for reasonable assistance in connection with planning and other operational matters at the Airport. Tenant shall refrain from annoying, disturbing, or impairing Airport customers, tenants, or employees, and Tenant shall control the conduct, demeanor, and appearance of Tenant's employees and Tenant's Associates to prevent them from doing so. If Lessor, the City of Umatilla, or Lake County, or the State of Florida, for good and sufficient cause, deems any of Tenant's employees or Tenant's associates to be objectionable, Tenant shall take all steps necessary to remove such persons from the Airport. Tenant's employees shall possess adequate training and qualifications to carry out their assigned duties. If Lessor determines for any reason that emergency conditions exist at the Airport, Tenant shall participate in any emergency response as directed by Lessor or other agency in charge and shall operate in a manner that protects safety and the interests of the public. Lessor may, but is not obligated to, stop Tenant's operations if safety laws and regulations or other safe work practices are not being observed. Tenant shall participate in and cooperate with the lawful, reasonable, and nondiscriminatory safety, security, and operations programs implemented by Lessor and generally applicable to hangar occupants, including, but not limited to, programs addressing common areas; services provided for use by multiple tenants; programs to implement cost efficiencies and economies of scale; and security-related measures.

**V. LESSOR'S AUTHORITY**

- A. Nature of Lessor.** Lessor is a governmental entity and the proprietor of the Airport, and Lessor has all lawful rights, powers, and privileges to act in those capacities.



- B. Access to Premises.** Lessor for itself and its employees, officers, directors, agents, contractors, subcontractors, suppliers, invitees, volunteers and other representatives (“Lessor’s Associates”) reserves the right to enter the Premises as provided in this Section, and the same does not constitute a trespass upon the Premises or a violation of any rights. Lessor and Lessor’s Associates shall have the right to enter the Premises (except the interior of any building) at any time and without prior notice. Lessor and Lessor’s Associates shall have the right to enter the interior of any building on the Premises at any time and without prior notice for any purpose relating to any emergency, security, or safety concern, or to investigate or remediate potential threats or hazards. Lessor and Lessor’s Associates shall have right to enter the interior of any building on the Premises for any other purpose relating to the Airport (including, but not limited to, in order to conduct any inspections, determine compliance with this Agreement, and conduct Airport work) upon providing reasonable notice to Tenant. Tenant agrees that Lessor may discuss with Tenant’s employees any matters pertinent to Tenant’s use, occupancy, or operations at the Premises and the Airport.
- C. Lessor’s Right to Work Within, Alter, or Recover Premises.** Lessor has the right at the Airport to perform or cause to be performed any work (including, but not limited to, constructing improvements, surveying, performing environmental testing, removing any hazard or obstruction, and implementing any plan, program, or action), that Lessor (in its sole discretion) determines to be in Lessor’s best interests, including, but not limited to, within the Premises. Lessor has the right to recover all or any portion of the Premises from Tenant in connection with any such work as Lessor may determine in its sole discretion. If Lessor determines to recover all or any portion of the Premises, Lessor shall provide Tenant with ninety (90) days prior written notice specifying what areas will be recovered. If any portion remaining after such recovery is not tenantable in light of the purposes of this Agreement (as determined by Lessor in its sole discretion), Lessor, in its sole discretion, shall either:
- i. Purchase the Tenant-owned improvements on the Premises and terminate this Agreement for convenience. In connection with any such purchase and termination, Lessor shall pay only the following amount: the remaining value of such Tenant-owned improvements (so long as such improvements are not in breach of this Agreement), which shall be determined as provided in this Agreement. This Agreement shall terminate at the time specified by Lessor in writing. OR:
  - ii. Relocate such Tenant-owned improvements to another location on the Airport that is determined by Lessor. In connection with any such relocation, Lessor shall pay the reasonable costs to relocate such improvements (so long as they are not in breach of this Agreement), and the parties agree that they shall amend this Agreement to substitute such new location as the Premises herein.
  - iii. Nothing under this Section shall be construed to waive Lessor’s right to pursue any remedy for a breach of this Agreement arising from or relating to Tenant’s use, occupancy, or operations at any portion of the Premises or at the Airport.

## **VI. LIABILITY AND INSURANCE**

**A. Indemnity by Tenant.** Tenant agrees to indemnify, hold harmless, and defend Lessor and its officers, agents, and employees from and against losses of every kind and character (including, but not limited to, liabilities, causes of action, losses, claims, costs, fees, attorney fees, expert fees, court or dispute resolution costs, investigation costs, environmental claims, mitigation costs, judgments, settlements, fines, demands, damages, charges, and expenses) that arise out of or relate to: (i) any use, occupancy, or operations at the Premises or the Airport by Tenant or Tenant's Associates; or (ii) any wrongful, reckless, or negligent act or omission of Tenant or Tenant's Associates. Tenant shall use attorneys, experts, and professionals that are reasonably acceptable to Lessor in carrying out this obligation. The obligation stated in this Section shall survive the expiration or other termination of this Agreement with respect to matters arising before such expiration or other termination. These duties shall apply whether or not the allegations made are found to be true.

**B. Waiver of Liability and Assumption of Risk.** Tenant assumes all risk of the use of the Premises and the Airport, and Tenant hereby knowingly, voluntarily, and intentionally waives any and all losses, liabilities, claims, and causes of action, of every kind and character, that may exist now or in the future (including, but not limited to, claims for business interruption and for damage to any aircraft) against Lessor and its officers, employees, and volunteers arising from or relating to Tenant's use, occupancy, or operations at the Premises or the Airport.

**C. Insurance.** At Tenant's cost, Tenant shall procure the following insurance coverage prior to entering the Premises, and Tenant shall maintain its insurance coverage in force at all times when this Agreement is in effect in compliance with and subject to Lessor's insurance requirements as they exist from time to time.

i. **Aviation Liability with Additional Coverage.** Aviation liability insurance that includes premises liability, and, if applicable, mobile equipment coverage with a combined single limit for bodily injury and property damage of not less than two million dollars (\$2,000,000) per occurrence, including, but not limited to, contractual liability coverage for Tenant's performance of the indemnity agreement set forth in this Agreement. If any such coverage is not available to Tenant in the form of an aircraft liability policy, Tenant shall obtain substantially similar coverage through a commercial general liability policy.

ii. **Property.** All risk property insurance coverage in an amount equal to the replacement cost (without deduction for depreciation) of the improvements constructed on the Premises. Tenant may purchase insurance for Tenant's personal property as Tenant may determine.

iii. **Automobile.** If Tenant drives any automobile other than in the roadways and automobile parking areas at the Airport (e.g. Aircraft Movement Area), comprehensive automobile liability coverage for claims and damage due to bodily injury or death of any person or property damage arising out of Tenant's ownership, maintenance, or use of any motor vehicles, whether owned, hired, or non-owned, of not less than five hundred thousand dollars (\$500,000) single combined limit "per accident" for bodily injury and property damage.

iv. Pollution. Tenant is responsible for environmental losses. Any pollution legal liability insurance obtained by Tenant shall comply with the requirements for insurance that are stated in this Agreement. If Tenant engages in self-fueling, Tenant shall comply with Lessor's self-fueling requirements, including, but not limited to, any pollution legal liability insurance requirements.

v. Aircraft. Tenant is responsible for any damage or loss to its Aircraft. Tenant shall obtain insurance coverage for the Aircraft as Tenant may determine.

vi. Business Interruption. Tenant is responsible for all costs of business interruption, however incurred, and Tenant may purchase business interruption insurance as Tenant may determine.

## VII. HAZARDOUS MATERIALS

**A. No Violation of Environmental Laws.** Tenant shall not cause or permit any Hazardous Materials to be used, produced, stored, transported, brought upon, or released on, under, or about the Premises or the Airport by Tenant or Tenant's Associates in violation of applicable Environmental Laws.

**B. Response to Violations.** Tenant agrees that in the event of a release or threat of release of any hazardous material by Tenant or Tenant's Associates at the Airport, Tenant shall provide Lessor with prompt notice of the same. Tenant shall respond to any such release or threat of release in accordance with applicable laws and regulations. If Lessor has reasonable cause to believe that any such release or threat of release has occurred, Lessor may request, in writing, that Tenant conduct reasonable testing and analysis (using qualified independent experts acceptable to Lessor) to show that Tenant is complying with applicable environmental laws. Lessor may conduct the same at Tenant's expense if Tenant fails to respond in a reasonable manner. Tenant shall cease any or all of Tenant's activities as Lessor determines necessary, in its sole and absolute discretion, in connection with any investigation, cure, or remediation. If Tenant or Tenant's Associates violate any environmental laws at the Airport (whether due to the release of a hazardous material or otherwise), Tenant, at Tenant's expense, shall have the following obligations, which shall survive any expiration or termination of this Agreement: (i) promptly remediate such violation in compliance with applicable environmental laws; (ii) submit to Lessor a written remediation plan, and Lessor reserves the right to approve such plan (which approval shall not be unreasonably withheld) and to review and inspect all work; (iii) work with Lessor and other governmental authorities having jurisdiction in connection with any violation; and (iv) promptly provide to Lessor copies of all documents pertaining to any environmental concern that are not subject to Tenant's attorney-client privilege.

**C. Obligations upon Termination.** Upon any expiration or termination of this Agreement, or upon any change in possession of the Premises as authorized by Lessor, Tenant shall demonstrate to Lessor's reasonable satisfaction that Tenant has removed any hazardous materials and is in compliance with all applicable environmental laws and regulations. Such demonstration may include, but is not limited to, independent analysis and testing to the extent that facts and

circumstances warrant analysis and testing, such as evidence of past violations or specific uses of the premises.

## **VIII. ASSIGNMENT AND SUBLEASING**

### **A. Assignment by Tenant; Lessor's Option to Repurchase.**

- a. Tenant may not assign any of its rights under this Agreement, including, but not limited to, rights in any improvements, unless it has first provided Lessor with written notice of its intent to assign such rights (the "Notice of Assignment"). Upon the receipt of the notice, Lessor shall have 45 days to obtain an appraisal of the value of the leasehold interest hereunder and improvements thereon (the "Appraisal Amount") and provide notice to the Tenant that it intends to terminate the tenancy under this Agreement and acquire the improvements by paying the Appraisal Amount. If Lessor does not provide written notice of its intent to terminate the tenancy hereunder and acquire the improvements, or provides written notice that it has waived its right to do so, Tenant shall have 6 months to assign such rights pursuant to the provisions of subparagraph (b) below. After 6 months, any proposed assignment shall be prohibited unless the Tenant again complies with the provisions of this subparagraph (a). If Lessor does provide notice of its intent to terminate the tenancy hereunder and acquire the improvements, then the closing shall occur within a reasonable time and the Tenant shall surrender the premises as hereinafter provided upon receipt of the Appraisal Amount in cash.
- b. Subject to the restrictions in subparagraph (a), Tenant may assign any of its rights under this Agreement, including, but not limited to, rights in any improvements, (whether such assignment is voluntarily or involuntarily, by merger, consolidation, dissolution, change in control, or any other manner), or delegate any performance under this Agreement, only with the prior written consent of Lessor to any of the same. Lessor shall not unreasonably withhold such consent, and as a condition of obtaining such consent, the transferee receiving any such right shall be required to execute a new lease agreement provided by Lessor. Regardless of Lessor's consent, Tenant shall not be released from any obligations for matters arising during the time when this Agreement was in effect. Any purported assignment or delegation of rights or delegation of performance in violation of this Section is void.

**B. Assignment by Lessor.** Lessor shall have the right, in Lessor's sole discretion, to assign any of its rights under this Agreement (and in connection therewith, shall be deemed to have delegate its duties), and upon any such assignment, Tenant agrees that Tenant shall perform its obligations under this Agreement in favor of such assignee.

**C. Sublease.** Upon obtaining Lessor's prior written consent, which Lessor may provide or withhold in Lessor's sole discretion, Tenant shall have the right to sublease portions of the Premises for the storage of Aircraft in the areas approved by and subject to the terms required by Lessor. Tenant shall impose on all approved subtenants the same terms set forth in this Agreement to provide for the rights and protections afforded to Lessor hereunder. Tenant shall reserve the right to amend Tenant's subleases to conform to the requirements of this Agreement, and all such subleases shall be consistent with and subordinate to this Agreement as it is amended from time to time. Such subleases shall include an agreement that the

sublessees will attorn to and pay rent to Lessor if Tenant ceases to be a party to this Agreement. Lessor shall have the right to approve any sublease in Lessor's sole discretion, and Tenant shall provide to Lessor a copy of every sublease executed by Tenant (which shall include the make, model, and identification number of all Aircraft making use of such space). No sublease shall relieve Tenant of any obligation under this Agreement.

#### **IX. DAMAGE, DESTRUCTION, AND CONDEMNATION**

- A. Damage or Destruction of Premises.** If any portion of the Premises or the improvements on the Premises is damaged in any manner, Tenant shall promptly remove from the Airport all debris and cause repairs to be made to restore the same to an orderly and safe condition. All work shall be performed in accordance with plans and specifications that are approved by Lessor as being consistent with or better than the original improvements. Tenant shall apply all proceeds that are made available from Tenant's insurance policies (or those of any subtenant or assignee) to performing such work. If Lessor performs such work, insurance proceeds shall be paid to Lessor. If the Premises or any improvement on the Premises are tenanted despite such damage, Tenant shall not receive any abatement of Tenant's rent obligations. Tenant shall not receive any abatement of Tenant's rent obligations.
- B. Condemnation.** In the event of any condemnation proceeding in which all or any part of the Premises is taken (by a condemnor other than Lessor), all compensation from such proceeding shall be paid to Lessor, except that Tenant may pursue a claim against the condemnor for the value of the improvements on the Premises that are owned by Tenant and Tenant's leasehold interest, and any subtenants may pursue a claim against the condemnor for the value of their subtenancy interests. In the event of a partial taking, Lessor shall reduce the ground rent payable by Tenant on a pro rata basis for portions of the Premises so taken. If Lessor determines in its sole discretion that all or a material portion of the Premises will be (or has been) rendered untenanted as a result of such taking, Lessor may terminate this Agreement by giving Tenant a written notice of termination, and this Agreement shall terminate at the time specified in the notice (which shall not be less than thirty (30) days after the date of such notice).

#### **X. DEFAULT**

**A. Tenant's Default.** The occurrence of any of the following events shall constitute a default by Tenant under this Agreement unless cured within thirty (30) days following written notice of such violation from lessor: (i) Tenant fails to timely pay any installment of rent or any additional rent; (ii) Tenant violates any requirement under this Agreement (including, but not limited to, abandonment of the Premises); (iii) Tenant assigns or encumbers any right in this Agreement, delegates any performance hereunder, or subleases any part of the Premises (except as expressly permitted in this Agreement); (iv) Tenant files a petition in bankruptcy or has a petition filed against Tenant in bankruptcy, insolvency, or for reorganization or appointment of a receiver or trustee which is not dismissed within sixty (60) days; (v) Tenant petitions for or enters into an arrangement for the benefit of creditors, or suffers this Agreement to become subject to a writ of execution and such writ is not released within thirty (30) days; or (vi) Tenant defaults in constructing any improvements that are required to be constructed under this Agreement.

**B. Remedies.** Upon any default by Tenant under this Agreement, Lessor may (at any time) pursue any or all remedies available to Lessor, including, but not limited to, the following: (i) perform in Tenant's stead any obligation that Tenant has failed to perform, and Tenant shall promptly pay to Lessor all costs incurred by Lessor for such performance, together with interest and service fees for any past due amounts and an administrative charge equal to ten percent (10%) of the cost incurred by Lessor (which the parties agree is a reasonable estimate of and liquidated damages for Lessor's overhead expenses associated with such performance); (ii) terminate Tenant's rights under this Agreement upon delivering a written notice of termination; and (iii) re-enter and take possession of the Premises by any lawful means (with or without terminating this Agreement). Tenant shall pay all costs and damages arising out of Tenant's default, including, but not limited to, the cost of recovering possession of the Premises, the cost of improving and reletting the Premises (including, but not limited to, any real estate broker fees or marketing costs), and attorneys' fees and costs. Notwithstanding any termination or re-entry, Tenant shall remain liable to pay the rent and additional rent required under this Agreement for the remaining term of this Agreement, and Tenant shall pay Lessor on demand for any deficiency in the same. No action by Lessor or Lessor's Associates shall be construed as an election by Lessor to terminate this Agreement or accept any surrender of the Premises unless Lessor provides Tenant with a written notice expressly stating that Lessor has terminated this Agreement or accepted a surrender of the Premises.

**C. Default by Lessor.** Lessor shall not be in default under this Agreement unless Lessor fails to perform an obligation required of Lessor under this Agreement within thirty (30) days after written notice by Tenant to Lessor. If the nature of Lessor's obligation is such that more than thirty (30) days are reasonably required for performance or cure, Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

## **XI. EXPIRATION OR TERMINATION OF AGREEMENT**

### **A. Disposition of Tenant's Improvements.**

i. **Disposition If Agreement Terminates Due to Default.** If this Agreement terminates before the Expiration Date due to Tenant's default, within ninety (90) days after such termination Lessor, in its sole discretion, may determine to accept title to all or any portion of the Tenant-owned improvements on the Premises. Upon Lessor accepting any such title, all of Tenant's rights, title, and interests in the same shall be terminated and title thereto shall vest in Lessor automatically. Tenant shall surrender such improvements and the Premises upon termination of the Agreement. If Lessor rejects any such title, or if such ninety-day period expires, Tenant shall (within sixty (60) days of such rejection or expiration) remove all improvements that were not accepted by Lessor at Tenant's sole expense in a manner acceptable to Lessor. If Tenant fails to remove any such improvements, Lessor may do so in any manner acceptable to Lessor.

ii. **Disposition Upon Expiration.** If this Agreement expires at or after the Expiration Date, Tenant agrees that Lessor shall have (and hereby grants to Lessor) the option to assume ownership all or any of the Tenant-owned improvements on the Premises and, if such

option is exercised the transfer of assets shall be self-executing provided that Tenant agrees to cooperate in the execution and delivery of any instrument necessary to perfect title in the Lessor. If Lessor does not exercise such option to assume ownership of the improvements (or if when exercising such option Lessor does not acquire a Tenant-owned hangar), Tenant may either: (a) transfer its interests in the improvements owned by Tenant to a party who, prior to the Expiration Date, has been accepted by Lessor, in its sole discretion, and has entered an agreement for the Premises that is acceptable to Lessor; or (b) Tenant shall surrender the Premises and, within sixty (60) days after the Expiration Date, shall remove all improvements owned by Tenant. If Tenant fails to perform either such alternative, Lessor shall have the rights as set forth above for termination of agreement due to Tenant's default.

**B. Surrender of Premises.** Upon any expiration or termination of this Agreement, Tenant, at Tenant's sole cost, shall (i) promptly and peaceably surrender to Lessor the Premises (and any improvements accepted by Lessor) "broom clean," free of debris, and in good order and condition; (ii) repair in a good and workmanlike manner any damage to the Premises or the Airport (other than that which resulted from ordinary wear and tear during the term of the lease) that arises from or relates to Tenant's use, occupancy, or operations under this Agreement (including, but not limited to, while removing any property upon expiration or termination); (iii) deliver to Lessor all keys and access credentials relating to the Airport; (iv) perform Tenant's environmental obligations as in this Agreement; and (v) remove all movable personal property and trade fixtures (including signage) that are not owned by Lessor, (except that Tenant must obtain Lessor's prior written consent to remove any such property if Tenant is in default under this Agreement or if such removal may impair the structure of any building). Upon any expiration or termination of this Agreement (which includes, but is not limited to, termination for abandonment of the Premises), all property that Tenant leaves on the Premises shall conclusively be deemed to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to, and without any obligation to account to, Tenant or any other person (except that improvements owned by Tenant shall be as provided in Section A above) Tenant shall pay to Lessor all expenses incurred in connection with the disposition of such property in excess of any amount received by Lessor from such disposition. Tenant shall not be released from Tenant's obligations under this Agreement in connection with surrender of the Premises until Lessor has inspected the Premises and delivered to Tenant a written acceptance of such surrender.

**C. Holding Over.** If Tenant remains in possession of the Premises after any expiration or termination of this Agreement, such occupancy shall not waive any default under this Agreement and Lessor may terminate such occupancy as a tenancy at will in accordance with state law. During such occupancy, Tenant shall comply with all provisions of this Agreement that are applicable to an at-will tenancy, and Tenant shall pay the following rent: ground rent at the highest rate then charged at the Airport and rent for the improvements at fair market value based on Lessor's survey of rent for similarly situated facilities at the Airport and at other similar airports (which Lessor shall determine in its sole discretion).

## **XII. MISCELLANEOUS PROVISIONS**

**A. Notices.** Any notice, demand, written consent, or other communication required to be in writing under this Agreement shall be given in writing by personal delivery, express mail (postage prepaid), nationally recognized overnight courier with all fees prepaid (such as, by way of example, Federal Express or UPS), or certified mail (return receipt requested and postage prepaid) when addressed to the respective parties as follows:

If to Lessor:

City of Umatilla  
Attn: Airport Manager  
P.O. Box 2286  
Umatilla, FL 32784

With required, simultaneous copy to:

Kevin Stone, City Attorney  
Stone & Gerken, P.A.  
4850 N. Hwy 19A  
Mount Dora, FL 32757

If to Tenant:

X-RAY 23 AVIATION, LLC  
Attn: Jay W. Marshall  
1749 LAKE TERRACE DRIVE  
EUSTIS, FL 32726

With required, simultaneous copy to:

Zachary Broome, Esq.  
Bowen & Schroth, P.A.  
600 Jennings Ave  
Eustis, FL 32726

Either Lessor or Tenant may change its notice address by giving written notice (as provided herein) of such change to the other party. Any notice, demand, or written consent or communication shall be deemed to have been given, and shall be effective, upon compliance with this Section and delivery to the notice address then in effect for the party to which the notice is directed; provided, however, that such delivery shall not be defeated or delayed by any refusal to accept delivery or an inability to effect delivery because of an address change that was not properly communicated.

**B. Entire Agreement.** This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements, or representations by or among the Parties, written or oral, to the extent they related in any way to the subject matter hereof.

**C. Nondiscrimination.** Tenant for itself, successors in interest, and assigns (to the extent successors and assigns are permitted by this Agreement), as a part of the consideration hereof,



does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Agreement for a purpose for which a U.S. Department of Transportation program or activity is extended, or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said regulations may be amended. Tenant further agrees that (1) no person on the grounds of race, creed, color, national origin, sex, age, or handicap shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities or any activity conducted with or benefiting from Federal assistance, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended, and other applicable Laws and Regulations, and shall obtain such compliance from any sublessees or other parties holding lower tier agreements (to the extent the same are permitted by this Agreement).

- D. Force Majeure.** No act or event, whether foreseen or unforeseen, shall operate to excuse Tenant from the prompt payment of rent or any other amounts required to be paid under this Agreement. If Lessor (or Tenant in connection with obligations other than payment obligations) is delayed or hindered in any performance under this Agreement by a force majeure event, such performance shall be excused to the extent so delayed or hindered during the time when such force majeure event is in effect, and such performance shall promptly occur or resume thereafter at the expense of the party so delayed or hindered. A "force majeure event" is an act or event, whether foreseen or unforeseen, that prevents a party in whole or in part from performing as provided in this Agreement, that is beyond the reasonable control of and not the fault of such party, and that such party has been unable to avoid or overcome by exercising due diligence, and may include, but is not limited to, acts of nature, war, riots, strikes, accidents, fire, and changes in law.
- E. Governing Law, Venue, and Waiver of Jury Trial.** This Lease shall be governed, construed, performed, and enforced in accordance with the Laws of the State of Florida and venue shall be in Lake County. LANDLORD AND TENANT EACH WAIVES ANY RIGHT IT MAY HAVE TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, OR TENANT'S USE OR OCCUPANCY OF THE PREMISES. This Lease shall be governed, construed, performed, and enforced in accordance with the Laws of the State.
- F. Attorney's Fees.** If any action is brought to recover any rent or other amount under this Agreement because of any default under this Agreement, to enforce or interpret any of the provisions of this Agreement, or for recovery of possession of the Premises, the party prevailing in such action shall be entitled to recover from the other party reasonable attorney's fees, court costs, the fees of experts and other professionals, and other costs arising from such action (including those incurred in connection with any appeal), the amount of which shall be

fixed by the court and made a part of any judgment rendered. Tenant shall be responsible for all expenses, including, but not limited to, attorneys fees, incurred by Lessor in any case or proceeding involving Tenant or any permitted assignee of Tenant under or related to any bankruptcy or insolvency law. The provisions of this Section shall survive any expiration or termination of this Agreement.

- G. Amendments.** No amendment to this Agreement shall be binding on Lessor or Tenant unless reduced to writing and signed by both parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the party against whom the waiver is sought to be enforced.
- H. Severability.** If any provision of this Agreement is determined to be invalid, illegal, or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect if both the economic and legal substance of the transactions that this Agreement contemplates are not affected in any manner materially adverse to any party. If any provision of this Agreement is held invalid, illegal, or unenforceable, the parties shall negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intents and purposes of this Agreement.
- I. Confidentiality and Sunshine.** Tenant acknowledges that Lessor is subject to legal requirements regarding the public disclosure of records. Tenant shall comply with such laws in connection with making any request that Lessor maintain a record confidentially, and if Tenant complies with the same Tenant shall have the right to defend any such request for confidentiality at Tenant's expense.
- J. Relationship of Parties.** This Agreement does not create any partnership, joint venture, employment, or agency relationship between the parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.
- K. Provisions Are Binding Upon Successors and Assigns.** It is mutually covenanted, understood, and agreed by and between the parties hereto, that each of the provisions of this Lease shall apply to, extend to, be binding upon, and inure to the benefit or detriment of not only the parties hereto, but also the legal representatives, successors, and assigns of Lessor and Tenant hereto, and shall be deemed and treated as covenants running with the Premises during the term of this Agreement. Whenever a reference to the parties hereto is made, such reference shall be deemed to include the legal representatives, successors, and assigns of said party, the same as if in each case expressed.

*(Signature Page Follows)*

In Witness Whereof, the parties have signed and sealed this Agreement as of the day and year first above-written.

SIGNED SEALED AND DELIVERED  
IN THE PRESENCE OF:

TENANT

X-RAY 23 AVIATION, LLC

\_\_\_\_\_  
Signature of First Witness

\_\_\_\_\_  
By: Jay W. Marshall, Manager

\_\_\_\_\_  
Print or Type Name of First Witness

\_\_\_\_\_  
Signature of Second Witness

\_\_\_\_\_  
Print or Type Name of Second Witness

State of Florida  
County of \_\_\_\_\_

The foregoing Airport Ground Lease was acknowledged before me via [ ] physical presence [ ] online notarization this \_\_\_\_ day of \_\_\_\_\_, 2023, by Jay W. Marshall, the Manager of X-Ray 23 Aviation, LLC, on behalf of the company, who is/are personally known to me or has produced \_\_\_\_\_, as identification.

\_\_\_\_\_  
Notary Public  
My Commission Expires:

CITY OF UMATILLA, FLORIDA

\_\_\_\_\_  
Signature of First Witness

\_\_\_\_\_  
By: Scott Blankenship, City Manager

\_\_\_\_\_  
Print or Type Name of First Witness

\_\_\_\_\_  
Signature of Second Witness

\_\_\_\_\_  
Print or Type Name of Second Witness

State of Florida  
County of \_\_\_\_\_

The foregoing Airport Ground Lease was acknowledged before me via  physical presence  online notarization this \_\_\_\_ day of \_\_\_\_\_, 2023, by Scott Blankenship, the City manager of the City of Umatilla, Florida, on behalf of the City, who is/are personally known to me or has produced \_\_\_\_\_, as identification.

\_\_\_\_\_  
Notary Public  
My Commission Expires:



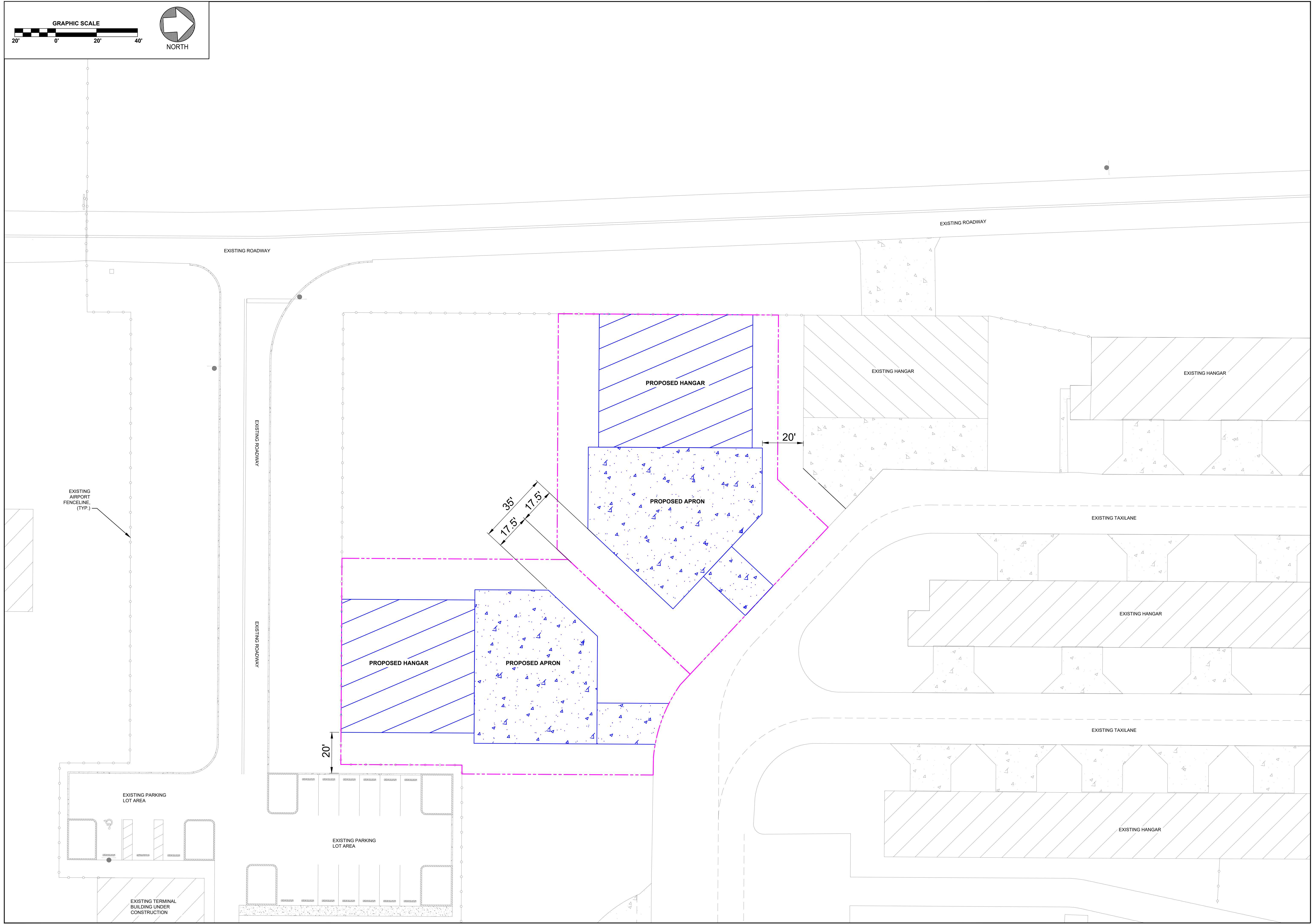


SCALE: AS SHOWN  
DATE: APRIL 2023

LEASE BOUNDARY/BUILDING OFFSET EXHIBIT  
(FOR INFORMATION ONLY)

**gai consultants**  
EB 9951  
618 SOUTH ST., SUITE 700  
ORLANDO, FLORIDA 32801  
PHONE: (407) 423-8398

SHEET  
**EXHIBIT**



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