

SECOND ADDENDUM TO LEASE AGREEMENT

THIS SECOND ADDENDUM TO LEASE AGREEMENT ("Second Addendum") is made and entered into this ____ day of December, 2018, by and between the **CITY OF POMPANO BEACH**, a municipal corporation of the State of Florida ("City") and **POMPANO AVIATION II, LLC**, a Florida limited liability company ("Pompano Aviation" or "Tenant"), collectively referred to herein as "the Parties."

RECITALS

A. The City and Ameriflyers of Florida, L.L.C., a Florida limited liability company ("Ameriflyers"), as tenant, entered into a lease agreement dated as of January 13, 2011 (the "Original Lease"); Ameriflyers' interest, as tenant, was assigned to the Tenant by Assignment of Lease dated as of July 2, 2018; and the Original Lease was modified by that certain First Addendum to Lease Agreement made by and between the Landlord and the Tenant dated as of July 13, 2018 (the "First Addendum") (collectively, the "Lease"); and

B. The Parties desire to clarify and amend certain terms, conditions and provisions of the First Addendum.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties do hereby agree as follows:

1. **Recitals.** The above Recitals are true and correct and are incorporated herein by this reference.

2. **Miscellaneous.** The Lease, as further modified by this Second Addendum, remains in full force and effect. To the extent of any inconsistency between the terms of this Second Addendum and the terms of the Lease and the First Addendum, the terms of this Second Addendum shall supersede and control to the extent of the inconsistency. Terms not otherwise defined herein shall have the meaning set forth in the Lease and the First Addendum.

3. **Term of Lease; Extension Options.** The initial term of the Lease shall expire on July 12, 2048 (the "Revised Initial Term"). So long as Tenant is in compliance with Section 39 of the Lease, the Tenant shall have the option to extend the term of the Lease for an additional ten (10) year period which would expire July 12, 2058 (the "Extended Term") as provided in Section 3.4.

4. **Rental.**

(a) Section 5(b) is amended to read as follows:

LESSEE shall compensate CITY (Airpark) for the remaining intrinsic value of the original lease relating to the existing 10,112 square foot metal building which currently houses the American Flyers Administrative Offices and flight school training classrooms. The remaining value of the

original lease for the next thirty (30) months for the building equates to approximately \$394,830 or \$13,161 per month less the 3% annual adjustments. Based on the remaining valuation, the CITY agrees to accept from LESSEE, and LESSEE agrees to pay to CITY a monthly fee of \$7,197.50 per month for a period of forty-eight (48) months commencing July 13, 2018 ("Additional Monthly Rental Fee"). Notwithstanding the foregoing, CITY agrees that the Additional Monthly Rental Fee will be terminated upon the earlier of either (i) LESSEE completes the construction of the new structures prior to July 13, 2022, and/or (ii) the LESSEE secures a Certificate of Occupancy prior to July 13, 2020.

(b) Notwithstanding the commencement date of payments of rent under the Lease and First Addendum, any increases in the rent shall be effective and payable commencing October 1 of each year to coincide with start of the fiscal year for the City.

(c) Section 5(b)(i) is amended to read as follows:

(i) The rental amount provided above in Section 5(a) shall be increased on an annual basis beginning on October 1, 2019, and on October 1st of each subsequent year throughout the remaining term of the Lease by three percent (3%) each year. Notwithstanding the foregoing, the three percent (3.0%) increases for each year shall not be applicable to October 1 of the years 2029 and 2039.

(d) The second Section 5(b)(i) is renumbered to be 5(b)(ii).

(e) The first sentence of Section 5(b)(ii) is amended to read as follows:

(ii) On October 1, 2029 and on October 1, 2039, the annual rental shall be adjusted to an amount to an amount equal to the fair market rent of Premises based on an appraisal of comparable general aviation airports in Florida, established by an appraisal including an analysis of the fair market annual land rental range for aeronautical land at the Airpark based on comparison with other rental rates for similar aeronautical properties within a competitive market area.

(f) Section 5(b)(iii) is amended to read as follows:

(iii) In the event this Lease is extended as provided in Section 3.4, then the annual rental amount for the first year of the ten (10) year period commencing July 13, 2048 shall be adjusted based upon the fair market rent determined as provided in Section 5(b)(ii), subject to the same minimum and maximum amounts as provided therein, and the annual rental amount as determined therein shall be increased annually thereafter by three percent (3%) per year beginning October 1, 2049.

(g) Section 5(v) is amended to read as follows:

(v) So long as Tenant is not then in default under the Lease, as modified by the Lease Addendum, the Tenant shall have the right to extend the Term of the Lease as provided in Section 3.4.

5. **Right to Record.** Section 36 of the Lease is modified to add the following:

The Parties have executed a Memorandum of Lease Agreement memorializing the terms of the Senior Lease for purposes of providing notice to third parties of the existence and effect of the Senior Lease without recording the entire Senior Lease and will record said Memorandum upon execution of this Second Addendum to Lease Agreement.

6. **Ingress and Egress.** Section 37 of the Lease is modified to read as follows:

City hereby grants to the Tenant, Tenant's subtenants, and their respective agents, employees, guests and invitees, during the term of this Lease, a non-exclusive easement for ingress and egress over and through the inner-perimeter Access Road and any extensions thereof, together with the land adjacent to the Premises and the Access Road for the construction by Tenant of driveways from the Access Road to the Premises as shown cross-hatched on Exhibit "A" attached hereto. This grant of easement expressly includes an ingress and egress easement over the driveway from Northeast 10th Street to the Access Road as more particularly depicted on Exhibit "B" attached hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have executed this Second Addendum to Lease Agreement this _____ day of _____, 2018.

"CITY"

Witnesses:

CITY OF POMPAÑO BEACH

By: _____

REX HARDIN, MAYOR

By: _____

GREGORY P. HARRISON, CITY MANAGER

Attest:

(SEAL)

ASCELETA HAMMOND
CITY CLERK

Approved As To Form:

MARK E. BERMAN
CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instruments were acknowledged before me this _____ day of _____, 2018, by **REX HARDIN** as Mayor, **GREGORY P. HARRISON** as City Manager and **ASCELETA HAMMOND** as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who are personally known to me.

NOTARY'S SEAL:

NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

"TENANT"

Witnesses:

[Signature]
Breanne K. Kiehl

POMPANO AVIATION II, LLC,
a Florida limited liability company

By: [Signature]
Gregory L. Spatz, Manager

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instruments were acknowledged before me this 4th day of December, 2018, by Gregory L. Spatz, as manager, of POMPANO AVIATION, II, LLC, a Florida Limited Liability Company, who are personally known to me or who has produced a driver license as identification.

NOTARY'S SEAL:



J. MARK TRIMBLE
Notary Public, State of Ohio
My Commission Has No Expiration
Section 147.03 O.R.C.

NOTARY PUBLIC, STATE OF FLORIDA

[Signature] Ohio
(Name of Acknowledger Typed, Printed or Stamped) J. MARK TRIMBLE

N/A
Commission Number