

**LEASE AGREEMENT BETWEEN THE CITY OF PENSACOLA AND THE U.S.  
GENERAL SERVICES ADMINISTRATION IN SUPPORT OF [REDACTED]  
[REDACTED] AT THE PENSACOLA  
INTERNATIONAL AIRPORT**

**THIS LEASE AGREEMENT** (hereinafter referred to as "Agreement") **IN SUPPORT OF [REDACTED] SCREENING OPERATIONS** at the Pensacola International Airport is made and entered into this 15 day of July, 2013, by and between the **City of Pensacola**, a municipal corporation of the State of Florida with the business address of 222 W. Main Street, Pensacola, Florida 32512-0001 (hereinafter referred to as "City") and the **United States of America**, acting through the **General Services Administration** with the business address of 7771 W. Oakland Park Boulevard, Sunrise, FL 33351-6737, (hereinafter referred to as "Lessee"). (Each at times hereinafter referred to as a "party" or collectively as "parties").

**WITNESSETH:**

**WHEREAS**, the City owns, operates, and maintains Pensacola International Airport (hereinafter referred to as "Airport") located in Escambia County, Florida to serve the traveling public with airline services; and

**WHEREAS**, Lessee desires to continue to lease space in the Airport in support of the [REDACTED] federally mandated passenger security screening mission at the Airport to protect customers using the nation's airlines; and

**WHEREAS**, as a result, the parties agree that this lease is necessary and proper to ensure the safety and well-being of the traveling public and should be entered into as provided herein.

**NOW, THEREFORE**, for and in consideration of the premises, and of the mutual covenants and agreements and the payment of money herein contained, the City and Lessee do hereby mutually undertake, promise and agree, each for itself and its successors and assigns, as follows:

**ARTICLE I  
LEASED PREMISES**

The City hereby leases to Lessee, and Lessee hereby hires and takes from the City, certain space inside the Airport Terminal building at Pensacola International Airport (herein referred to as the "Leased Premises"). These premises, more particularly shown on Exhibit "A", encompass approximately 3,964.9 square feet. In the event the United States Congress authorizes the Lessee to pay rent for security checkpoint screening areas in use on the effective date of the statute, then the City and Lessee agree to increase the Leased Premises by 10,421 square feet of area as depicted in Exhibit "C", at a rental rate as required by and payable under federal law.

The Leased Premises shall be taken by Lessee in the AS IS condition, subject to all defects, latent and patent, and shall be improved, maintained and operated at Lessee's sole cost and expense except as may otherwise be specifically provided in this Agreement. It is the express intention of the parties hereto that the Lessee's improvements, use and occupancy of the Leased Premises, and all costs associated therewith, shall be and remain the financial obligation of the Lessee.

## ARTICLE II GRANT OF USE

The City hereby grants Lessee the right to use the Leased Premises for general administrative offices, training rooms, and employee break rooms for its security screening operation at Pensacola International Airport.

Lessee shall not use, nor permit others to use, the Leased Premises, and any improvements thereon, for any purpose other than the authorized purposes set forth above, nor shall Lessee use the Leased Premises to store any material not required for the prosecution of the authorized purposes. Should the Lessee wish to perform any additional services from its leased premises, Lessee shall make written application to the City requesting permission to provide such additional services. If the City determines that the Lessee may perform the requested additional services and if the Lessee and City execute an amendment to the Lease setting forth the terms and conditions by which Lessee shall perform the additional services or activities, then Lessee shall be deemed authorized to perform said additional services or activities.

## ARTICLE III COMPLIANCE WITH RULES AND REGULATIONS

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

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

The Lessee agrees to observe all security requirements of [REDACTED] 49 CFR 1542 (formerly Federal Aviation Regulations Part 107), and the Airport Security Program, as may be applicable, and as the same may, from time to time, be amended, and to take such steps as may be necessary or directed by the City to ensure that employees, invitees, agents, and guests observe these requirements.

If the City incurs any fines and/or penalties imposed by Federal, State, County, or Municipal authorities as a result of the acts or omissions of Lessee, its partners, officers, agents, employees, contractors, subcontractors, assigns, subtenants, or anyone acting under its direction and control,

then Lessee shall be responsible to pay or reimburse the City for all such reasonable costs and expenses, if allowable under federal law.

ARTICLE IV  
TERM

The term of this Agreement shall commence at midnight on July 15, 2013 (hereinafter referred to as the "commencement date") and shall continue for a period of three (3) years thereafter.

ARTICLE V  
RENT & FEES

For space inside the Terminal building, in consideration of the rights and privileges herein granted, the Lessee hereby covenants and agrees to pay the City upon commencement of this Agreement a monthly rental rate identical to that square foot rental rate charged to the signatory air carriers. The rental rate for the Terminal building shall be adjusted annually on October 1st by dividing the debt service requirements plus the maintenance and operating requirements by the amount of usable space in the Terminal building. "Usable Space" is defined as the total square feet in the Terminal building less mechanical and utility space. The City shall provide the Lessee notification of the adjusted lease rate thirty (30) days prior to the effective date of the change.

In no event shall rental due during this lease for space inside the Terminal building exceed \$60.00 per square foot.

The lease rates shall be as follows

Terminal Building Area:

<u>Rate Per Sq. Ft.</u>	<u>Sq.Ft.</u>	<u>Annual</u>	<u>Monthly</u>
\$53.83	3,964.9	\$213,430.57	\$17,785.88

Lessee agrees to pay rent due to the City, without invoice in arrears for the month for which rent is due. Rent for period less than one month shall be prorated on a daily basis (365 day year). It is understood by the Lessor and Lessee that the United States of America (Federal Government) is tax exempt as the sovereign.

Rent payments shall be made payable to the City of Pensacola via electronic funds transfer.

ARTICLE VI  
TAXES AND ASSESSMENTS

The Lessee, as the United States of America is tax exempt as the sovereign. The Lessee shall pay only such taxes and assessments required to be paid under federal law.

ARTICLE VII  
INDEMNIFICATION

The Lessee agrees to be liable to the Lessor under the Federal Tort Claims Act (28 USC ♣♣2671-2677).

ARTICLE VIII  
IMPROVEMENTS

During the term of this Agreement, Lessee shall have the right to construct, at its own expense, improvements, alterations, or additions to the Leased Premises to facilitate and further the authorized usage of the Leased Premises, provided that Lessee conforms with all conditions of this Article including:

- (a) the proposed improvements and alterations are submitted to the City for its prior review;
- (b) the City determines, in its sole discretion (which discretion shall be reasonably applied), that the proposed improvements and alterations will be consistent with the Airport's Master Plan, land use plan and architectural design and quality of construction in effect at the time of construction; and
- (c) the improvements, alterations, and additions are to be constructed by qualified and licensed contractors and subcontractors.

General Construction Requirements:

Prior to the commencement of any construction activity, Lessee shall submit detailed plans, specifications, and a construction time schedule for the improvements, to the City for approval. The Airport Director shall either approve or disapprove the plans and/or specifications submitted by the Lessee. Approval by the Airport Director of any plans and specifications refers only to the conformity of such plans and specifications to the general architectural and aesthetic plan for the area assigned to the Lessee. Such plans are not approved for architectural or engineering design or compliance with applicable laws or codes and the City, acting through the Airport Director, by approving such plans and specifications, assumes no liability or responsibility hereof or for defect in any structure or improvement constructed according to such plans and specifications. The Airport Director reserves the right to reject any design submitted and shall state the reasons for such action. No changes or alterations shall be made to said plans and specifications after approval by the Airport Director.

Immediately upon receipt of the City's written approval of said plans, specifications, and construction time schedule, Lessee shall proceed with construction of said improvements. Work shall not be performed at times other than shown on the construction time schedule without the prior approval of the Airport Director.

Lessee shall construct all improvements and additions to the Leased Premises at its own expense. Although the City has the right to review proposed improvement plans, and veto the plans if the plans are inconsistent with the airport development plans or construction quality and design control, pursuant to the standards set forth above, if the City does not veto said improvement plans, and Lessee thereafter constructs the improvements, the improvements shall be commissioned and constructed at Lessee's sole initiative and behest, and nothing herein shall be construed as an authorization by City to Lessee to construct the improvements, or as an agreement by City to be responsible for paying for the improvements, and neither the Leased Premises, nor the City's interest in said Leased Premises or any improvements constructed thereon, shall be subjected to a mechanic's lien for any improvements constructed by Lessee hereunder.

The Lessee agrees to provide performance and payment bonds as required by the Miller Act.

Lessee shall be responsible for assuring that all of the improvements, alterations and additions to the Leased Premises are constructed in accordance with applicable local, state and federal law. Lessee shall contractually require its contractor, if any, to reimburse the City for all costs and an expense, including attorney's fees, the City incurs:

- (a) as a result of the fact that the improvements, additions, or alterations do not comply with local, state, and federal law;
- (b) in defending against, settling, or satisfying any claims that the City is responsible for paying for improvements commissioned by Lessee hereunder; or
- (c) in defending against, settling or satisfying any mechanic's lien claims, asserted as a result of unpaid-for improvements commissioned by Lessee hereunder.

Should Lessee construct improvements, alterations, or additions without fulfilling its obligations hereunder, Lessee shall remove said improvements, alterations, or additions if so directed by the City, and shall do so at its own expense and within the time limits specified.

The City shall, at any period during construction of Lessee's improvements, alterations, or additions, have the right to inspect any or all construction work, workmanship, material and installation involved in, or incidental to, the construction or installation of the improvements, alterations, or additions, for conformance with the applicable standards set forth in this Agreement, provided that such inspection shall not include internal work that is exclusively of an operations (non-structural) nature, and provided further that no such inspections shall be deemed to constitute consent to or approval of any such work.

Lessee shall provide City with one complete set of "as-built" drawings for each improvement, alteration, or addition made to the Leased Premises during the term of this Agreement.

Title to all permanent leasehold improvements, alterations, or additions, as defined by Florida Law, will vest in the City upon termination or sooner expiration of this agreement, free and clear on any liens or encumbrances whatsoever.

Notwithstanding the above paragraph, title to all of the Lessee's personal property shall at all times during the term of this Agreement remain with the Lessee.

Lessee shall not remove or demolish, in whole or in part, any improvements upon the Leased Premises without the prior written consent of the Airport Director.

Lessee shall be responsible for making repairs at its sole expense for any damage (other than from normal wear and tear) resulting from the removal by Lessee of its said furniture, trade fixtures, etc.

The City shall have the right to construct or install over, in, under, or through the Leased Premises new lines, pipes, mains, wires, conduits and equipment, provided, however, that such repair, alteration, replacement, or construction shall not unreasonably interfere with Lessee's use of the Leased Premises. The City will repair any damage resulting from such activities.

#### ARTICLE IX SIGNS

Lessee agrees that no signs, logos, or advertising displays shall be painted on or erected in any manner upon the Leased Premises, or in or on any improvements or additions on the Leased Premises, without the prior written approval of the City. Signs identifying Lessee shall conform to reasonable standards established by the City, with respect to type, size, design, condition and location.

#### ARTICLE X VENDING MACHINES

No amusement or vending machines or other machines operated by coins or tokens shall be installed or maintained in or upon the Leased Premises, or any improvements or additions thereon, except with the permission of the City, and the number, type, kind and locations thereof shall be solely in the discretion of the City. Lessee shall not permit the installation of any such machines, except by a concessionaire authorized by the City or unless the City agrees to Lessee or its subtenants installing their own machines for use by the employees and guests of Lessee and its subtenants.

#### ARTICLE XI UTILITIES, MAINTENANCE, AND CUSTODIAL SERVICES

##### Utilities:

During the term of this Agreement, the City shall provide, at its expense, existing power, air conditioning, and heating for the leased area. The City shall not be obligated to provide for the extension of these utilities or to provide for the installation of any other utilities. The Lessee, at the Lessee's sole cost and expense, shall arrange for the extension of these utilities as needed. Throughout the term of this Agreement, the Lessee shall not render any utility lines inaccessible.

The City reserves the right to assess a reasonable charge associated with providing for power, air conditioning and heating. Such charge for lessee utilities shall not exceed that which is charged to other commercial tenants in the Terminal building. The Lessee shall be solely liable for the cost of telephone services from the Leased Premises and the Lessee shall obtain a separate account accordingly.

The City reserves the right to install, maintain, repair, replace, or remove and replace any utility lines located on the Leased Premises as necessary or appropriate, along with the right to enter the Leased Premises at all reasonable time in order to accomplish the foregoing, provided, however, that the City shall take reasonable precautions to avoid the disruption of the Lessee's authorized activity.

#### Maintenance:

During the term of this agreement, the City shall provide, at its expense:

1. Structural repairs to the roof, floor, exterior walls and windows of the Terminal building.
2. General maintenance and upkeep of the Terminal building's interior common use area and external area. The City agrees to keep and maintain in reasonable condition all trunk water and sewer mains, supply mains and electrical power to the Leased Premises.

Should the City be required to make any repairs or improvements under the provisions herein contained, the City shall not be liable to Lessee for any damage caused by disrepair of any kind until the City has had reasonable opportunity to perform repairs after being notified in writing of the need for same by Lessee.

Lessee, at its own expense, shall perform all preventive maintenance and ordinary upkeep and nonstructural repair of its leased areas and equipment, including but not limited to fixtures, doors, floor coverings, and walls (painting and wall covering). Lessee shall be required to keep all such areas in good operating condition and repair at all times.

#### Custodial:

During the term of this Agreement, the City shall provide, at its expense:

1. Custodial services for the non-leased public areas of the Terminal building.
2. Pest control services for the Leased Premises and the adjacent areas.

Lessee agrees to keep all of the Leased Premises in the Terminal building, and any areas outside the Terminal building used in the course of its normal daily operations, in a neat, clean, safe, sanitary and orderly condition at all times; that it will keep such areas free at all times of all paper, rubbish and debris; and that Lessee will deposit all trash and debris resulting from its operations in its Leased Premises in containers approved by the City.

Lessee agrees to provide, at its own expense, such janitorial and cleaning services and supplies for the maintenance of its Leased Premises. Lessee also agrees to keep and maintain the Leased Premises in a clean, neat, and sanitary condition and attractive appearance.

General:

Should Lessee fail to maintain the Leased Premises in conformance with the terms and conditions of this article within a period of seven (7) days following written notice of such failure (or for those items that cannot be reasonably cured within seven (7) days, Lessee fails to undertake action to cure and diligently pursue such cure), the City reserves the right to take any action to cure said failure. Should the City take action to cure failures, the Lessee shall pay to the City an amount equal to the City's reasonable cost for such actions plus a reasonable administrative charge.

#### ARTICLE XII DAMAGE OR DESTRUCTION

Lessee shall be liable for any damage to its leased area and fixtures therein and to the Airport and to any improvements thereon caused by Lessee, its partners, officers, agents, employees, invitees, contractors, subcontractors, assigns, subtenants, or anyone acting under its direction and control, ordinary wear and tear excepted, as permitted under the Federal Tort Claims Act (28 USC §§2671-2677) and the Disputes clause required by the Contract Disputes Act of 1978 (41 USC §601 (2002)), which is incorporated herein by reference.

The City shall not be liable to Lessee, the Lessee's employees, patrons, or vendors for any damage to their merchandise, trade fixtures, or personal property caused by water leakage from the roof, water lines, sprinkler, or heating and air conditioning equipment unless caused by the sole negligence of the City, its employees or agents.

#### ARTICLE XIII LESSEE PARKING PRIVILEGES

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



ARTICLE XIV  
EMPLOYEES

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

ARTICLE XV  
LAWFUL AND REASONABLE USE

Lessee may not do anything in or upon the Leased Premises, nor bring or keep anything therein, which shall unreasonably increase or tend to increase the risk of fire, or cause a safety hazard to persons, or obstruct or interfere with the rights of any other tenant(s) or in any way injure or annoy them, or which violates or causes violation of any applicable health, fire, environmental, or other regulation of any level of government. The Airport Director may inform Lessee of such violation and set a date for abatement. It is hereby acknowledged that Lessee's employees may be armed with firearms and ammunition, and this shall not be deemed a violation of this Article.

ARTICLE XVI  
RIGHT TO ENTER

The City and its authorized officers, employees, agents, contractors, subcontractors, and other representatives shall have the right to enter upon the Leased Premises and any improvements and alterations thereon at reasonable times (and in an emergency, any time) for the following purposes:

1. To inspect such premises to determine whether Lessee has complied and is complying with the terms and conditions of this Agreement.
2. To perform maintenance and make repairs in any case where Lessee is obligated but has failed to do so.
3. To perform any and all things that the Lessee is obligated to perform and has failed to perform after reasonable notice to do so.
4. In the exercise of City's police powers.

ARTICLE XVII  
QUIET ENJOYMENT

The City warrants and represents that it has good and marketable title to the Leased Premises free of encumbrances. The City represents that upon payment of fees when due and upon performance of all other conditions required herein, and under other agreements between the

parties, Lessee shall peaceably and quietly have, hold, possess and enjoy the Leased Premises, and all improvements thereon, for all terms under this Agreement, subject to the City's rights of inspection and maintenance contained herein.

ARTICLE XVIII  
NON-DISCRIMINATION

Lessee, for itself, its personal representatives, successors in interest, assigns and subtenants, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, religion, sex, national origin, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of the Leased Premises and any improvements thereon; (2) no person on the grounds of race, color, religion, sex, national origin, or disability shall be subjected to discrimination in the construction of any improvements on, over, or under the Leased Premises and the furnishing of services therein; and (3) Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the secretary, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.

Lessee shall furnish its accommodations and/or services on a fair, equal, and non-discriminatory basis to all users thereof.

ARTICLE XIX  
WAIVER

Should Lessee breach any of its obligations hereunder, the City, nevertheless, thereafter may accept from Lessee any payment or payments due under this Agreement, and continue this Agreement in effect without in any way waiving its ability to exercise and enforce all available remedies upon default provided hereunder or provided by law for said breach. In addition, any waiver by either party of any default, breach, or omission of the other under this Agreement shall not be construed as a waiver of any subsequent or different default, breach, or omission.

ARTICLE XX  
DEFAULT AND REMEDIES

The following shall constitute defaults by Lessee:

1. The failure to pay fees owed under this Agreement, or under any other agreement between City and Lessee, when due, and the failure to cure said default within a period of thirty (30) days following receipt of written notice of said default;
2. Any other failure by Lessee to perform any covenant or obligation required by this Agreement after giving reasonable notice and opportunity to cure;
3. Lessee undertakes any other commercial or non-commercial service or activity not

specifically permitted under this Agreement;

If Lessee defaults, the City may utilize any one or more of the following remedies against Lessee. These remedies shall be considered cumulative and not in the alternative:

1. The City may sue for damages incurred by the City, as permitted under the Federal Tort Claims Act (28 USC §§2671-2677) and the Disputes clause required by the Contract Disputes Act of 1978 (41 USC §601 (2002)), which is incorporated herein by reference.
2. The City may terminate this Agreement. The termination of this Agreement, however, shall only be effective upon written notice of same provided by the City to Lessee. In no event shall this Agreement be construed to be terminated unless and until such notice is provided. The termination may be effective immediately upon receipt of said notice, or at any other time specified in the notice. If this Agreement is terminated, Lessee shall continue to be liable for the performance of all terms and conditions and the payment of all fees due hereunder accruing prior to the effective date of said termination, in addition to all damages, including reasonable attorney's fees and other reasonable expenses of collection, incurred by City as a result of any default, to the extent permitted by applicable Federal statutes cited herein.

#### ARTICLE XXI ATTORNEYS FEES, COSTS AND EXPENSES OF LITIGATION

In the event of a breach of this Agreement, the breaching party shall pay to the non-breaching party attorney's fees, costs and other expenses incurred by the non-breaching party in enforcing its rights as a result of said breach to the extent permitted under the Equal Access to Justice Act (5 USC §504) and as permitted for the City under Section 768.28, Florida Statutes, the Sovereign Immunity Law.

#### ARTICLE XXII FORCE MAJEURE

Subject to the provisions herein concerning the payment of fees and other monies by Lessee to the City, and except and otherwise expressly provided herein, neither the City nor Lessee shall be liable for any failure, delay, or interruption in performing its obligations hereunder (other than the Lessee's obligations to pay fees and other monies) due to causes or conditions beyond their control; by which is meant acts of God, the elements, weather conditions, hurricanes, earthquakes, fire, acts of governmental authority (other than the City or agency thereof), war, shortage of labor or fuel, or materials, acts of terrorism or third parties for which neither the City nor Lessee is responsible, injunctions, labor troubles or disputes of every kind (including those affecting the City, Lessee, their contractors, suppliers, or subcontractors), or any other condition or circumstance, whether similar to or different from the foregoing (it being agreed that the foregoing enumeration shall not limit or be characteristic of such conditions or circumstances),

which is beyond the control of the City or Lessee or which could not be prevented or remedied by reasonable effort and at reasonable expense.

#### ARTICLE XXIII SURRENDER UPON TERMINATION

Upon the expiration or sooner termination of this Agreement, for any reason whatsoever, Lessee shall peaceably surrender to the City possession of the Leased Premises, together with any improvements, alterations, or fixtures previously constructed by Lessee or the City within said Leased Premises, and any of the City's personal property located thereon, in as good a condition as the Leased Premises and improvements, alterations and fixtures constructed thereon were initially provided to, or constructed by, the City or Lessee, ordinary wear and tear excepted, without any compensation whatsoever, and free and clear of any claims or interests of Lessee or of any mortgages or any other third party whose position was derived from or through Lessee. If any of said improvements, alterations or fixtures are encumbered by a mortgage or lien at the time of expiration or sooner termination of this Agreement, Lessee shall be responsible for eliminating said mortgage or lien.

Title to all personal property not removed by Lessee from the Leased Premises shall be subject to the City taking ownership of such personal property, without payment by the City to Lessee of any compensation whatsoever, and said personal property shall thereafter be owned by the City free and clear of any claim or interest by Lessee or of any mortgagee or any third party whose position was derived from or through Lessee. Nothing in the Lease shall be deemed as a waiver of the rights of the Lessee as sovereign.

#### ARTICLE XXIV HOLDING OVER

If Lessee remains in possession of the Leased Premises after the expiration of this Agreement without any written renewal thereof, such holding over shall not be deemed as a renewal or extension of this Agreement but shall create only a tenancy from month to month which may be terminated at any time by the City upon thirty (30) days written notice. Such holding over shall otherwise be upon the same terms and conditions as set forth in this Agreement.

#### ARTICLE XXV RENEWAL

Lessee has no guaranteed or preferential right, as against other third parties, of reletting the Leased Premises, or any improvements thereon, following the termination of this Agreement. Should Lessee desire to relet the Leased Premises following the termination of the term of this Agreement, Lessee shall submit an application for Lease in accordance with Airport leasing rules and regulations in effect at that time. Lessee's application will be reviewed by the City along with other applications, if any, in accordance with then applicable Airport leasing rules and regulations.

ARTICLE XXVI  
AIRPORT DEVELOPMENT RIGHTS

The City reserves the right to further develop or improve all areas within the Airport, including landing areas and the passenger Terminal building, as the City may determine in its sole discretion, which discretion shall not unreasonably be exercised, to be in the best interests of the Airport, regardless of the desires or views of Lessee, and without further interference or hindrance from Lessee.

Except as may be required by this Agreement or any other agreement between the parties, the City reserves the right, but shall not be obligated to Lessee, to keep and repair all areas, including landing areas, of the Airport.

ARTICLE XXVII  
SUBORDINATION

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

ARTICLE XXVII  
ASSIGNMENT

Lessee shall not assign its rights, title and interest herein without the written consent of the City, said consent not to be unreasonably denied or delayed. If an assignment is made, Lessee shall continue to be liable, jointly and severally, with its assignee, for the fulfillment of all terms and conditions arising under this Agreement subsequent to the assignment, unless the City releases Lessee in writing for such liability for future obligations. The release shall be effective only if made in writing. All subsequent assignors and assignees shall be subject to this Section as if they were the original lessee/assignor.

ARTICLE XXIX  
SUBLEASE

Lessee may not sublease all or any portion of the Leased Premises or all or any portion of the improvements thereon, without first obtaining written consent of the City, said consent not to be unreasonably denied or delayed. Any such sublease must be in writing and be made subject to the terms and conditions of this Agreement. In addition, before any sublease may take effect,

any sub lessee must execute an agreement with the City, in a form and for a fee acceptable to the City, by which such sub lessee is authorized to do business on the Airport.

ARTICLE XXX  
SUCCESSORS

The provisions, covenants and conditions of this Agreement shall bind and inure to the benefit of the legal representatives, successors and assigns of the parties hereto.

ARTICLE XXXI  
PARTIAL INVALIDITY

If any term or condition of this Agreement or application thereof to any person or event shall to any extent be invalid and unenforceable, the remainder of this Agreement and the application of such term, covenant, or condition to persons or events other than those to which it is held invalid or unenforceable shall not be affected and each term, covenant and condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE XXXII  
NOTICES

All notices by either party to the other shall be made by depositing such notice in the registered or certified mail of the United States of America, postage prepaid, or with another delivery service requiring signature and receipt, and such notice shall be deemed to have been served on the date of such depositing correctly addressed notice in the registered or certified mail unless otherwise provided. All notices to the City shall be mailed to:

Airport Director  
Pensacola International Airport  
2430 Airport Boulevard, Suite 225  
Pensacola, Florida 32504

All notices to Lessee shall be mailed to:

Mr. James Thompson  
Lease Contracting Specialist  
General Services Administration  
Real Estate Division  
7771 W. Oakland Park Boulevard  
Suite 119  
Sunrise, FL 33351-6737

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

ARTICLE XXXIII  
REPRESENTATIONS REGARDING AUTHORITY

The City represents that it has the authority to enter into this Agreement and grant the rights contained herein to Lessee.

ARTICLE XXXIV  
RELATIONSHIP OF PARTIES

It is understood that the City is not in any way or for any purpose a partner or joint venturer with, or agent of, Lessee in the use of the Leased Premises or any improvements thereon, for any purpose.

ARTICLE XXXV  
HEADINGS

The headings contained in this Agreement are inserted only as a matter of convenience and for reference and do not define or limit the scope or intent of any provision of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

ARTICLE XXXVI  
GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the United States. In the event no applicable law of the United States exists, then the laws of the State of Florida.

ARTICLE XXXVII  
ENTIRE AGREEMENT

This Agreement, together with all exhibits hereto, constitutes the entire Agreement and understanding between the parties with respect to the Leased Premises, and supersedes all negotiations, prior discussions, letters of intent and preliminary agreements. Exhibit "B", entitled General Clauses, GSA Form 3517, is incorporated herein and specifically made a part hereof. Exhibit "D", entitled Representations and Certifications, GSA Form 3518, is incorporated herein and specifically made a part hereof. This Agreement may not be amended except by a writing executed by all of the parties.