

SUBLEASE

THIS SUBLEASE (the "Sublease") is made effective as of June 1, 2013, (the "Effective Date"), by and between BVK, Inc., a Florida corporation, ("Sublessor"), and Sarasota Avionics, Inc., a Florida corporation, ("Sublessee").

WHEREAS, Sublessor and Sublessee entered into that certain Sublease Agreement effective June 8, 2010 for the premises described below; and

WHEREAS, the parties wish to continue the existing Sublease Agreement and to restate its terms in a form acceptable to the City of Venice, Florida; and

WHEREAS, Sublessor pursuant to an Assignment of Lease effective June 8, 2010, is the current lessee of the "Premises" as described in that certain Lease originally made by and between the City of Venice, a Municipal Corporation under the laws of the State of Florida, and A.C. Schmieler, dated November 14, 2000, and amended on September 14, 2010 and July _____, 2013, copies of which are attached hereto as Exhibit A and by this reference incorporated herein (collectively the "Master Lease"); and

WHEREAS, Sublessee desires to sublease from Sublessor, and Sublessor desires to sublease to Sublessee, all of its interest in the land and improvements located at 160 West Airport Avenue, Venice, FL 34285 and more particularly described and shown in Exhibit B attached hereto and by this reference incorporated herein (the "Subleased Premises"), upon the terms and conditions set forth below; and

WHEREAS, this Sublease is conditioned upon and subject to the consent of the City of Venice.

NOW, THEREFORE, in consideration of the premises set forth above, for the terms and conditions delineated below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Recitals. The above stated recitals are true and correct in all material respects and by this reference are hereby incorporated herein and made a part hereof.

2. Sublease. This is a Sublease of the premises as described in the Master Lease. This Sublease is expressly made subject to all the terms and conditions of the underlying Master Lease. Sublessee shall use the Premises in accordance with the terms stated herein and the underlying Master Lease and shall not do or omit to do anything which will breach any of its terms. If the underlying Master Lease is terminated, this Sublease shall terminate simultaneously and any unearned rent paid in advance shall be refunded to Sublessee, if such termination is not the result of a breach by Sublessee of this Sublease.

3. Term of Sublease. The term ("Term") of this Sublease shall begin on the Effective Date and shall end at midnight on May 31, 2014, unless earlier terminated pursuant to this Sublease (the "Expiration Date"). A Lease Year, for purposes hereof, shall mean that period of twelve (12) consecutive calendar months commencing on the Effective Date.

4. Automatic Extension of Sublease. The term of this Sublease shall be automatically extended for an indefinite number of consecutive, one (1) year periods, until May 31, 2025, when it shall be extended only to November 30, 2025, (each year being a renewed term) upon the same terms and conditions as herein provided, unless either party gives to the other, two (2) months prior to the expiration of the initial or renewed term of this Sublease, written notice that the Sublease shall not be so extended.

5. Rent and Deposit.

(a) Base Rent: The annual base rent for the Subleased Premises (the "Base Rent") will be as follows and paid in the following monthly installments:

Year	Monthly Rent
<u>Initial Term</u>	
Effective Date — 5/31/14	\$2,000.00 plus applicable sales tax
Subsequent Terms	\$2,000.00 plus applicable sales tax, unless agreed otherwise in writing by the parties to this Sublease.

(b) Payment. Upon the execution of this Sublease, the Sublessee shall pay the Sublessor, the Base Rent for June, 2013. Beginning July 1, 2013, the Base Rent will be paid by Sublessee to Sublessor in monthly installments in the amount specified above, on the first day of each month of the Term without demand, deduction or offset.

(c) Expenses. In addition to the Base Rent, Sublessee shall be responsible for the following expenses: (i) the disposal and the cost of disposal and pick-up of all waste generated by Sublessee; (ii) the payment of the cost of water, sewer and electricity with respect to the 160 Building; (iii) the cost of maintaining the Subleased Premises including, without limitation, the HVAC system, plumbing and electrical systems located within the Subleased Premises including proof of regular maintenance; and (iv) any other costs and expenses incurred by Sublessor as a result of Sublessee's use of the Subleased Premises, other than ordinary wear and tear arising from the normal and proper conduct of Sublessee's operations.

(e) Rent Payments. Base Rent and the expenses as set forth in this Section 5 together with all other sums due hereunder may be collectively referred to herein as "Rent". All Rent shall be payable when due, in United States legal tender and without demand, deduction or offset. All Rent payable hereunder shall be paid to Sublessor, at

120 West Airport Avenue, Venice, FL 34285, or to such other party or to such other place as Sublessor may from time to time designate in writing. Failure to pay the Rent within three (3) days of its due date shall result in the imposition of a late charge against Sublessee equal 5% of the amount due plus interest accruing at the rate of 12% per annum.

6. Insurance and Taxes.

(a) Property and Casualty Insurance. Sublessee agrees to comply with all laws, ordinances, and governmental regulations of insurance or fire underwriters applicable to the Subleased Premises as required under the Master Lease, or as required in general by the City of Venice.

(b) Personal Property Insurance. During the term of the Sublease, Sublessee shall keep the personal property and property located within the Subleased Premises insured for the full insurable value. The policy shall be with an insurance company acceptable to Sublessor which is authorized to do business in the State of Florida. The policy shall name Sublessor as an additional insured and shall not be cancelled without advance notice to Sublessor. Sublessee shall provide Sublessor with a certificate evidencing insurance coverage in compliance with this paragraph.

(c) Indemnity-Liability Coverage. Sublessee covenants and agrees to indemnify and save Sublessor and the City of Venice harmless from and against any and all claims and actions for damages or injuries to goods, wares, merchandise, and property of Sublessee, or persons by theft or otherwise and/or for any personal injury or loss of life, in, upon, or about the demised Premises, (including any environmental contamination spill or leak) caused by Sublessee or its employees, agents or invitees. Sublessor shall not be responsible for any defect or change of condition in the Premises, or for any damages thereto, or to any person, or to goods or things contained therein due to any cause except Sublessor's intentional wrongful acts or gross negligence. In addition to such indemnification, Sublessee shall, at its expense, throughout the duration of this Sublease, procure and continue in force general liability insurance covering any and all injury to persons in or upon the demised Premises, including all damages from signs, glass, awnings, pictures, or other appurtenances now or hereafter erected on the demised Premises, and insuring the indemnity agreement contained in this section. Such commercial general liability insurance shall be in the amount of not less than One Million Dollars (\$1,000,000.00) combined single limit. Said insurance policy shall name Sublessor and the City of Venice each as an additional insured, and Sublessee shall furnish Sublessor and the City of Venice with evidence of such insurance coverage by way of an endorsement to same, together with a copy of the actual policy and any amendments thereto; same shall be delivered by Sublessee to Sublessor within ten (10) days of the commencement of this Sublease. Said policy may not be modified or terminated without the written consent of Sublessor.

(d) Other. All insurance policies shall name the City of Venice as an additional insured and shall not be canceled without advance notice to the City of Venice.

(e) Real Estate and Other Taxes and Improvement Assessments. Sublessee shall pay as a part of the Rent during the term of this Sublease, all ad valorem, personal and real estate taxes levied or assessed by any lawful authority against all property which is now or hereafter becomes a part of the Subleased Premises. In the event any governmental authority having jurisdiction shall levy any special assessment(s) against the Subleased Premises, Sublessee shall be responsible for the payment of such assessment(s) and if Sublessee shall fail to pay such assessment(s) Sublessor may do so and charge Sublessee for such payment(s) as additional Rent. Within 30 days of payment, the Sublessee shall furnish Sublessor a receipt of the actual taxes and assessments paid.

7. Maintenance of Property. Sublessee shall keep the Subleased Premises and common space in a clean and sanitary condition at all times. Sublessee shall be responsible for maintenance and repair of all fixtures, installations and personal property and equipment located within the Subleased Premises and common areas and the cost of maintaining the Subleased Premises including, without limitation, the HVAC system, landscaping, plumbing and electrical systems located within the Subleased Premises.

8. Use of Subleased Premises; Access. It is understood that the intended use of the Subleased Premises shall be solely for aviation related purposes and shall be restricted to the purposes permitted by the Master Lease. Sublessee will not commit or permit any unlawful or immoral acts in or about the Premises. Sublessee hereby accepts the Subleased Premises in an "as-is" condition as of the Effective Date. Sublessor will have no obligation to perform any work in or make any alterations to or improvements in the Subleased Premises. Sublessor will have full access to the Subleased Premises twenty-four (24) hours a day, seven (7) days a week Sublessor must comply with all regulations, policies and procedures as required by the Airport Manager.

9. Assignment. Neither Sublessee nor Sublessee's legal representatives or successors in interest by operation of law or otherwise, shall assign, mortgage, license or otherwise encumber this Sublease, or sublet or permit all or part of the Premises to be used by others, without the prior written consent of Sublessor in each instance, which consent shall not be unreasonably withheld. This Sublease is personal to Sublessee. This Sublease shall terminate at the option of Sublessor should an attempted assignment or sublease by Sublessee occur during the term of the Sublease.

10. Default.

(a) If Rent is not paid within five (5) days after written notice from Sublessor, or if Sublessee defaults in the performance of any of its other obligations hereunder, and such default continues for ten (10) days after Sublessee's receipt of written notice of such default, or if Sublessee makes an assignment for the benefit of creditors or files a petition for bankruptcy or reorganization, or if there is a change of 20% or more in the equity ownership of Sublessee, Sublessor may at its option terminate this Sublease, in which event neither Sublessee nor any person claiming through or under Sublessee's rights under the Master Lease shall be entitled to possession or to remain in possession in of the Subleased Premises, but shall immediately quit and surrender the Subleased Premises to Sublessor.

(b) If Sublessee defaults under this Sublease and such default continues beyond the cure period so that Sublessor would be entitled to possession of the Subleased Premises, Sublessor shall have the right to enter the Subleased Premises, without terminating this Sublease or releasing Sublessee in whole or in part from Sublessee's obligations to pay Rent or any of Sublessee's other obligations hereunder, relet the Subleased Premises or any part thereof for such Rent and for such term(s) as Sublessor may determine. Sublessee shall pay to Sublessor any deficiency between the Rent due under this Sublease and the amount of Rent collected on such reletting for the balance of the Term (or the option Term, as the case may be) of this Sublease, as well as any reasonable expenses incurred by Sublessor in such relating, including but not limited to broker's fees, reasonable attorneys' fees, the expense of repairing or altering the Subleased Premises and otherwise preparing the Subleased Premises for re-rental. Sublessee shall pay all such amounts as additional Rent upon demand by Sublessor. Any suit by Sublessor (or its successors and assigns) brought to collect the amount of any deficiency for any one or more months shall not preclude any subsequent suit to collect the deficiency for any subsequent months.

(c) The remedies set forth in this Section 10 are in addition to all other legal and equitable remedies that Sublessor may have against Sublessee. In addition to all other rights and remedies set forth in this Section 10, Sublessor may require that, upon any termination of the Master Lease, whether by lapse of time or the exercise of any right of termination, or in any other manner whatsoever, or upon any termination of Sublessee's right to possession without termination of this Sublease, Sublessee shall at once surrender possession of the Subleased Premises to Sublessor and shall immediately vacate the same, and shall remove all of its effects therefrom. Any reasonable costs and expenses that Sublessor incurs in removing Sublessee's effects (or those of any successors or assigns of Sublessee) from the Subleased Premises shall be deemed additional Rent under this Sublease, payable by Sublessee on demand.

11. Repairs, Alterations, and Additions. Sublessee shall take good care of the Leased Premises and the furniture, fixtures and equipment located within the Leased

Premises. Sublessee shall not make any alterations, additions, or improvements to the Leased Premises without prior written consent of Sublessor. Sublessee further agrees that any alterations, additions, and improvements to the Subleased Premises, if approved by Sublessor, shall be made in accordance with the City of Venice Building Code, and that all work to be performed shall be done by a licensed contractor, at the sole cost and expense of Sublessee.

12. Liens.

(a) Sublessee, at Sublessee's expense, shall cause any lien filed against the real or personal property of which the Leased Premises is a part, for work or materials claimed to have been furnished to Sublessee, to be discharged of record within ten (10) days after notice thereof.

(b) The interest of Sublessor shall not be subject to liens for improvements made by Sublessee in and to the Subleased Premises. Sublessee shall notify every contractor making such improvements of the provision set forth in the proceeding sentence of this subparagraph. If requested, the parties agree to execute, acknowledge, and deliver without charge a Memorandum of Sublease, in recordable form containing a confirmation that the interest of Sublessor shall not be subject to liens for improvements made by Sublessee to the Subleased Premises.

13. Requirements of Law. Sublessee at its expense shall comply with all laws, orders, and regulations of any governmental authority having jurisdiction with respect to the Subleased Premises or the use or occupancy thereof, and all requirements of the Board of Fire Underwriters, or any other similar body affecting the Subleased Premises.

14. Subordination. This Sublease Agreement is subject and subordinate to any and all present and future mortgages and other encumbrances affecting the real property and improvements of which the Leased Premises forms a part, and to all renewals, modifications, consolidations, replacements, and extensions thereof. Sublessee agrees to execute at no expense to Sublessee any instrument which may be deemed necessary by Sublessor to further affect the subordination of the Sublease herein provided.

15. Rights of Entry. Sublessor or Sublessor's agents may enter the Subleased Premises at any reasonable time during regular business hours, on reasonable notice to Sublessee (except that no notice need be given in case of emergency) for the purpose of inspection or making such repairs as Sublessor deems necessary or desirable. Sublessor may show the Subleased Premises to prospective mortgagees, to prospective purchasers and/or prospective tenants, during business hours, upon reasonable notice to Sublessee.

16. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to

persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

17. Indemnity and Hold Harmless. Sublessee and Sublessor shall indemnify, defend, save, and hold each other harmless from any liability or expense arising from actions of the indemnifying party in connection with the use or occupation of the Subleased Premises by themselves, or anyone on the Subleased Premises with their permission.

18. Fees and Expenses. If either party shall default in the performance of any provision of this Sublease Agreement, or if either party is required to take any action to enforce this Sublease Agreement, or to defend the validity of or interpret this Sublease Agreement, then the prevailing party shall be entitled to recover all costs and expenses incurred thereby, including court costs, sales tax, and reasonable attorney's fees. Such fees and expenses shall be deemed to be additional Rent hereunder and shall be paid by Sublessee to Sublessor upon demand.

19. End of Term; Abandoned Property. At the end of the term of this Sublease Agreement, Sublessee shall vacate and surrender the Subleased Premises to Sublessor, clean, and in as good a condition as it was at the beginning of the term, ordinary wear and tear excepted, and Sublessee shall remove all of Sublessee's personal property. All property to be removed by Sublessee at the end of the term which remains on the Subleased Premises after Sublessee has vacated shall be considered abandoned by Sublessee and, at the option of Sublessor, may either be retained as Sublessor's property or may be removed by Sublessor at Sublessee's expense.

20. Jury Waiver. Sublessor and Sublessee hereby waive trial by jury in any action, proceeding, or counterclaim brought by either party against the other pertaining to any matters whatsoever arising out of or in any way connected with the Sublease Agreement or Sublessee's use and occupancy of the Subleased Premises, other than an action for personal injury.

21. Quiet Enjoyment. Sublessor agrees with Sublessee that upon Sublessee paying the Rent and performing all of the terms, covenants, and conditions of the Sublease Agreement on Sublessee's part to be performed, Sublessee may peaceably and quietly enjoy the Subleased Premises.

22. Agreement Not To Compete. Sublessee agrees not to directly, or indirectly, engage in or otherwise allow any business activity which would or could have the affect of competing in any manner whatsoever with the business of the Sublessor without first obtaining the Sublessor's prior written consent.

23. Holding Over. If Sublessee holds over and continues in possession of the Subleased Premises or any part thereof, after the expiration or termination of the Sublease Agreement without Sublessor's permission, Sublessor may recover Rent at the rate of two times the then current monthly rental rate per month, prorated daily, for each day Sublessee holds over and refuses to surrender possession. Nothing contained herein shall be construed as a consent to such holdover or limit Sublessor's remedies against Sublessee for such holdover.

24. No Waiver of Sublease Terms. The failure of Sublessor or Sublessee to take an action against the other for violation of any of the terms of this Sublease Agreement shall not prevent a subsequent act of similar nature from being a violation of the Sublease Agreement. No act or agreement to accept surrender of the Subleased Premises from Sublessee shall be valid unless in writing signed by Sublessor.

25. Governing Laws. The laws of the State of Florida shall govern the validity, performance, and enforcement of this Sublease Agreement.

26. Paragraph Headings. The paragraph titles herein are for convenience only and do not define, limit, or construe the contents of such paragraphs.

27. Covenant to Bind Successors. It is agreed that the provisions, covenants, and conditions of this Sublease Agreement shall be binding upon the legal representatives, heirs, successors, and assigns of the respective parties hereto.

28. Brokerage Fees. Sublessee represents to Sublessor that it has not used a broker in connection with this transaction and that Sublessor shall not be responsible for the payment of any fees, commissions or compensation of any kind to any broker or other person or entity.

29. Notices. Any notice by either party to the other shall be in writing and mailed by nationally recognized overnight courier service, or by certified mail, return receipt requested, to the address either party may designate in writing. Each notice shall be deemed given two (2) business days following the date of mailing. Any notice by Sublessor to Sublessee shall be deemed given if personally delivered to Sublessee at the Subleased Premises.

30. Definition of Terms. The words "Sublessor" and "Sublessee" shall include the singular and plural, masculine and feminine, individual and corporate persons, and shall include the heirs, personal representatives, successors and assigns, of the Sublessor and the heirs and personal representatives of Sublessee and its permitted sub-Sublessees or subtenants and assigns, and this Sublease Agreement shall be binding upon and shall inure to the benefit of all such persons. If there shall be more than one Sublessee, they shall be jointly and severally liable hereunder. Whenever herein the singular number is used, the same shall include the plural; and the neuter gender shall include the masculine and feminine genders.

31. Severability. If any term, covenant, condition, or provision of this Sublease Agreement shall be held to any extent to be invalid or unenforceable under applicable law, the remaining terms, covenants, conditions, and provisions of this Sublease Agreement or the application thereof to situations other than that as to which it is invalid or unenforceable, are severable therefrom and shall not be affected thereby and shall remain in full force and effect.

32. Contingent on City's Approval. This Sublease Agreement is contingent upon Sublessor's obtaining the approval of the City of Venice allowing this Sublease and Sublessor, at Sublessor's sole cost and expense, shall take all commercially reasonable or appropriate action to obtain the approval of the City of Venice. If said approval is not forthcoming, this Sublease shall be terminated. Notwithstanding the foregoing, for so long as the Sublessee remains a tenant of the Subleased Premises it will adhere to and abide by all of the provisions of this Sublease Agreement as if the City of Venice has approved this Sublease Agreement as of the Effective Date.

33. Entire Agreement. This Sublease Agreement and the exhibits and the consent of Lessor attached hereto and forming a part hereof shall set forth all of the covenants, promises, agreements, conditions, and understandings between Sublessor and Sublessee governing the demised Premises. There are no covenants, promises, agreements, conditions, and understandings, either oral or written, between them, other than those herein set forth. Except as herein provided, no subsequent alterations, amendments, changes, or additions to this Sublease Agreement shall be binding upon Sublessor or Sublessee unless and until reduced to writing and signed by both of the parties. Submission of this instrument by Sublessor to Sublessee for examination shall not bind Sublessor in any manner and no lease, sublease, contract, option agreement to lease, license or other obligation of Sublessor shall arise until this instrument is signed by both parties.

34. Counterparts. This Sublease may be executed in counterparts, and each counterpart shall have the effect of a duly executed original.

35. Force Majeure. Whenever a period of time is herein prescribed for action to be taken by Sublessor, Sublessor shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations or restrictions or any other causes of any kind whatsoever which are beyond the control of Sublessor. This provision shall apply likewise to Sublessee, except as to the payment obligations contained herein.

36. The Master Lease. It is understood and agreed that the interest of Sublessor hereunder and in the Subleased Premises hereby demised is solely as a tenant under the Master Lease, and that this Sublease, and the rights and obligations of Sublessor and Sublessee hereunder, are subject to and subordinate to the Master

Lease. Sublessee acknowledges that it has received, reviewed and is familiar with the terms and conditions of the Master Lease, inclusive of the exhibits attached thereto.

Sublessee hereby covenants and agrees to be bound by the terms and conditions of the Master Lease and to perform any obligation imposed upon Sublessor by the Master Lease or by City of Venice with respect to the Subleased Premises and any common areas designated in the Master Lease. All such obligations so assumed by Sublessee hereunder shall be for the benefit of, and shall be enforceable by, Sublessor and/or City of Venice. Sublessor and Sublessee agree not to take or omit (or to permit to be taken or omitted) any action in violation of the terms and conditions of the Master Lease or this Sublease.

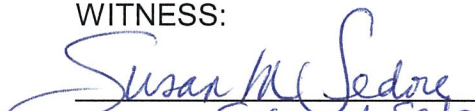
37. Time of Essence. Time is of the essence of all of Sublessee's obligations, covenants, and agreements under this Sublease.

38. Parking Rights; Common Areas. Sublessee and its invitees shall be entitled to use certain common areas, such as driveways, sidewalks; hallways, parking spaces, lobby, and other areas of the Premises designed and intended to be used in common except for those common areas restricted to aviation/pilots use only.

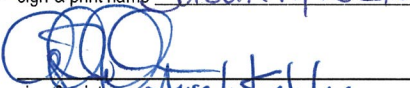
In witness whereof, the parties have set their hands and seals to this Sublease Agreement effective as of the Effective Date.

WITNESS:

BVK, Inc., a Florida corporation



sign & print name Susan M. Sedore

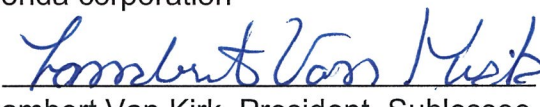
By: 
Kirk W. Fryar, President, Sublessor

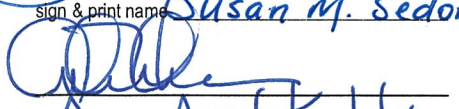

sign & print name Angela Krehler
as to Sublessor

WITNESS

SARASOTA AVIONICS, INC.,
a Florida corporation


sign & print name Susan M. Sedore

By: 
Lambert Van Kirk, President, Sublessee


sign & print name Angela Krehler
as to Sublessee

Exhibits: A Master Lease dated 11/14/2000
 First Amendment to Lease - 9/14/10
 Second Amendment to Lease - 7/___/13

 B Legal Description

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 8th day of July, 2013, by Kirk W. Fryar, as President of BVK, Inc., a Florida corporation, who is personally known to me or who has produced _____ as identification.



Notary Public
My Commission Expires:
(Seal)

STATE OF FLORIDA
COUNTY OF SARASOTA

The foregoing instrument was acknowledged before me this 8th day of July, 2013, by Lambert Van Kirk, as President of Sarasota Avionics Inc., a Florida corporation, who is personally known to me or who has produced _____ as identification.

Notary Public

My Commission Expires
(Seal)



Z:\A\CVANKIRK\SUBLEASE-160

CONSENT TO SUBLEASE

The City of Venice, as the Lessor under the Master Lease described above hereby consents to the above Sublease.

IN WITNESS WHEREOF, this instrument has been executed on July
_____ 2013.

ATTEST:

THE CITY OF VENICE, FLORIDA

By: John Holic, Mayor

Lori Stelzer, City Clerk

LEASE

This lease is made and executed on November 14, 2000, by and between the CITY OF VENICE, a Florida municipality, herein referred to as "lessor", and A. C. SCHMIELER, herein referred to as "lessee".

1. DESCRIPTION OF PREMISES

Lessor leases to lessee and lessee rents from lessor, for the purpose of constructing and operating a 2500 square foot hangar to store and perform maintenance upon the lessee's aircraft and for no other purpose, the following described premises located in Venice, Florida:

A parcel of land lying and being in Section 19, Township 39 South, Range 19 East, Sarasota County, Florida, also being a portion of Lot 1, Block 383, according to the plat of "Venice Airport Subdivision" as recorded in Plat Book 20 at Pages 7 to 7-B of the Public Records of Sarasota County, Florida, and being more particularly described as follows:

Commence at the Northwest corner of said Section 19; thence S.89°35'33"E., along the Northerly line of the Northwest 1/4 of said Section 19 a distance of 1419.90 feet; thence S.00°24'27"W., perpendicular to the Northerly line of the Northwest 1/4 of said Section 19 a distance of 341.83 feet to the Point of Beginning; thence S.89°24'55"E., a distance of 62.80 feet; thence S.02°40'37"E., a distance of 79.41 feet; thence S.27°20'43"E., a distance of 5.95 feet; thence S.00°05'49"E., a distance of 26.90 feet; thence N.89°36'35"W., a distance of 70.58 feet; thence N.00°39'39"E., a distance of 111.67 feet to the Point of Beginning and containing 7,426 square feet, more or less.

The premises are also depicted as Parcel "A" on the survey attached hereto as Exhibit 1.

As used in this lease, the term "premises" refers to the real property described above and to any improvement located on the property from time to time during the term of this lease.

EXHIBIT A TO SUBLEASE

2. TERM

The initial term of this lease shall be for 25 years commencing on December 1, 2000 and ending on November 30, 2025. As used in this lease, the expression "term of this lease" refers to such initial term and to any renewal of the lease as outlined herein.

3. RENT

The total annual rent for the first year of this lease shall be \$1,842 per year payable in equal monthly installments of \$153.50 each, in advance, on the 1st day of each month. The rent shall be paid to lessor without notice or demand and without abatement, deduction, or setoff. A late charge equal to 5% of the rent payment shall be assessed for each rent payment paid ten or more days after its due date.

The rent specified herein shall be net to lessor and all costs, expenses, and obligations of every kind related to the leased property which may arise or become due during the term of this lease shall be paid by lessee. Lessor shall be indemnified by lessee against such costs, expenses and obligations.

The total annual rent for each subsequent year of the term of this lease shall be adjusted annually based on fluctuations in the Consumer Price Index for Urban Wage Earners and Clerical Workers as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. Said adjustment shall be made on December 1st and shall be effective for the ensuing year. Each rental adjustment shall be the result obtained by multiplying the then existing total annual rent by a fraction, the numerator of which shall be the Index for the month preceding the month in which the adjustment is made and the denominator of which shall be the Index for the month one year preceding the month from which the Index used in the numerator was chosen.

It is the parties intent that the total annual rent shall be increased by the same percent amount as the percent increase in the Index during the year preceding the adjustment. In no event shall the total annual rent ever be decreased.

Should the Bureau of Labor Statistics change the manner of computing the subject Index, the Bureau shall be requested to furnish a conversion factor designed to adjust the new Index to the one previously in use, and adjustment to the new Index shall be made on the basis of such conversion factor. Should publication of the subject Index be discontinued by the Bureau of Labor Statistics, then whichever Index published by the United States Government most nearly approximating said discontinued Index shall be used in making the adjustments provided for herein.

4. WARRANTIES OF TITLE AND QUIET POSSESSION

Lessor covenants that lessor is seized of the leased premises in fee simple and has full right to make this lease and that lessee shall have quiet and peaceable possession of the leased premises during the term of this lease.

5. DELIVERY OF POSSESSION

If, for any reason whatsoever, lessor cannot deliver possession of the leased premises to lessee at the commencement of the lease term, as specified above, this lease shall not be void or voidable, nor shall lessor be liable to lessee for any loss or damage resulting from the inability to deliver possession; in that event there shall be a proportionate reduction of rent covering the period between the commencement of the lease term and the time when lessor can deliver possession.

6. USES PROHIBITED

Lessee shall not use or permit the leased premises, or any part of them, to be used for any purpose or purposes other than the purpose or purposes for which the premises are leased. No use

shall be made or permitted to be made of the premises, or acts done, that will cause a cancellation of any insurance policy covering the building located on the premises, or any part of the premises; nor shall lessee sell, or permit to be kept, used, or sold, in or about the premises, any article prohibited by the standard form of fire insurance policies. Lessee shall, at its sole cost, comply with all requirements, pertaining to the leased premises, of any insurance organization or company, necessary for the maintenance of insurance, as provided in this lease, covering any building and appurtenances at any time located on the leased premises.

7. WASTE AND NUISANCE PROHIBITED

During the term of this lease, lessee shall comply with all applicable laws affecting the leased premises, the breach of which might result in any penalty on lessor or forfeiture of lessor's title to the premises. Lessee shall not commit or suffer to be committed any waste on the leased premises, or any nuisance.

8. ABANDONMENT OF PREMISES

Lessee shall not vacate or abandon the premises at any time during the term of this lease. If lessee abandons, vacates, or surrenders the leased premises, or is dispossessed by process of law, or otherwise, any personal property belonging to lessee and left on the premises shall be deemed to be abandoned, at the option of lessor, except such property as may be encumbered to lessor.

9. LESSOR'S RIGHT OF ENTRY

Lessee shall permit lessor and the agents and employees of lessor to enter the leased premises at all reasonable times for the purpose of inspecting them, or for the purpose of posting notices of nonresponsibility for alterations, additions, or repairs, without any rebate of rent and without any liability to lessee for any loss of occupation or quiet enjoyment of the premises.

10. ENCUMBRANCE OF LESSEE'S LEASEHOLD INTEREST

Lessee may encumber by mortgage or deed of trust, or other proper instrument, its leasehold interest and estate in the leased premises, together with all buildings and improvements placed by lessee on the premises, as security for any indebtedness of lessee. The execution of any mortgage, or deed of trust, or other instrument, or the foreclosure of the instrument, or any sale under the instrument, either by judicial proceedings or by virtue of any power reserved in the mortgage or deed of trust, or conveyance by lessee to the holder of such indebtedness, or the exercising of any right, power, or privilege reserved in any mortgage or deed of trust, shall not be held as a violation of any of the terms or conditions of this lease, or as an assumption by the holder of such indebtedness personally of the obligations of this lease. No such encumbrance, foreclosure, conveyance, or exercise of right shall relieve lessee from its liability under this lease.

If lessee shall encumber its leasehold interest and estate in the leased premises, and if lessee or the holder of the indebtedness secured by the encumbrance shall give notice to lessor of the existence of the encumbrance and the address of the holder, then lessor will mail or deliver to the holder, a duplicate copy of all notices in writing which lessor may, from time to time, give to or serve on lessee under and pursuant to the terms and provisions of this lease. Copies shall be mailed or delivered to the holder at, or as near as possible to, the same time the notices are given to or served on lessee. Holder may, at its option, at any time before the rights of lessee shall be terminated as provided in this lease, pay any of the rents due under this lease, or pay any taxes and assessments, or do any other act or thing required of lessee by the terms of this lease, or do any act or thing that may be necessary and proper to be done in the observance of the covenants and conditions of this lease, or to prevent the termination of this lease. All payments so made, and all things so done and

performed by the holder shall be as effective to prevent a foreclosure of the rights of lessee under the lease as they would have been if done and performed by lessee.

11. SUBLETTING AND ASSIGNMENT

Lessee shall not assign this lease, or any interest in this lease, or sublet the leased premises, or any part of the premises, or any right or privilege appurtenant to it, or allow any person other than lessee and lessee's agents and employees to occupy or use the premises or any part of them, without first obtaining lessor's written consent. Lessor's consent to one assignment, sublease, or use shall not be a consent to any subsequent assignment or sublease, or occupancy or use by another person. Any unauthorized assignment or sublease shall be void, and shall terminate this lease at the lessor's option. Lessee's interest in this lease is not assignable by operation of law without lessor's written consent. Notwithstanding the above, lessee may rent space in the subject hangar to third parties for the storage of aircraft provided that all such third parties agree to comply with all of the terms and conditions of this lease. No aircraft maintenance shall be performed on the leased premises on any aircraft owned by said third parties.

12. NOTICES

All notices, demands, or other writings in this lease provided to be given or made or sent, or which may be given or made or sent, by either party to this lease to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

TO LESSOR: City Clerk, Venice City Hall, 401 W. Venice Ave., Venice, FL 34285

TO LESSEE: A. C. Schmieler, 125 Castile Street, Venice, Florida 34285

The address to which any notice, demand, or other writing may be given or made or sent to any party mentioned above may be changed by written notice given by the party mentioned above.

13. TAXES AND ASSESSMENTS

a. Taxes as additional rent. As additional rent under this lease, lessee shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature and kind whatsoever. This includes all governmental charges regardless of name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge on or against the leased premises, or any part of the premises, the leasehold of lessee here, the premises described here, any building or buildings, or any other improvements now or which will be made in the future, on or against lessee's estate which may be a subject of taxation, or on or against lessor by reason of its ownership of the fee underlying this lease, during the entire term of this lease, excepting only those taxes specifically excepted below.

b. Assessments affecting improvements. Specifically and without in any way limiting the generality of the above, lessee shall pay all special assessments, levies or charges made by any municipal or political subdivision for local improvements. They shall be paid in cash as they are due and before they become delinquent. They shall be paid as required by the act and proceedings under which any assessments, levies or charges are made by any municipal or political subdivision. If the right is given to pay either in one sum or in installments, lessee may elect either mode of payment, and its election shall be binding on lessor. If, by making any such election to pay in installments, any of the installments shall be payable after the termination of this lease or any extended term of

this lease, the unpaid installments shall be prorated as of the date of termination, and amounts payable after such date shall be paid by lessor. All of the taxes and charges under this Section 13 shall be prorated at the commencement and expiration of the term of this lease.

c. Contesting taxes. If lessee shall in good faith desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge agreed to be paid by lessee, lessee shall be permitted to do so, and to defer payment of such tax or charge, the validity or amount of which lessee is so contesting, until final determination of the contest, on giving to lessor written notice prior to the commencement of any such contest, which shall be at least ten days prior to delinquency, and on protecting lessor on demand by a good and sufficient surety bond against any such tax, levy, assessment, rate, or governmental charge, and from any costs, liability, or damage arising out of any contest.

d. Receipts. Lessee shall obtain and deliver receipts or duplicate receipts for all taxes, assessments, and other items required under this lease to be paid by lessee, promptly on payment of them.

14. CONSTRUCTION OF IMPROVEMENTS

On or before December 1, 2001 the lessee shall, at lessee's sole expense, design, permit, construct, complete, fully equip, and furnish improvements upon the premises consisting of a 2,500 square foot hangar to store and perform maintenance upon the lessee's aircraft and all ramp and taxi area improvements necessary to access the adjacent airport taxiway.

Lessee shall, at lessee's sole expense, prepare plans and specifications for the improvements to be constructed. Such plans and specifications shall be submitted to lessor for lessor's written

approval. Lessor shall have the final say regarding the improvements to be constructed and the plans and specifications.

All improvements constructed upon the premises, and all alterations, changes, or additions thereto, shall be the property of the lessor and lessee shall have only a leasehold interest therein, subject to the terms of this lease.

15. REPAIRS AND DESTRUCTION OF IMPROVEMENTS

a. Maintenance of improvements. Lessee shall, throughout the term of this lease, at its own cost, and without any expense to lessor, keep and maintain the premises, including all buildings and improvements of every kind that may be a part of the premises, and all appurtenances to the premises, including sidewalks adjacent to the premises, in good, sanitary, and neat order, condition and repair, and, except as specifically provided in this lease, restore and rehabilitate any improvements of any kind that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Lessor shall not be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the leased premises or any buildings or improvements on it. Lessee shall also comply with and abide by all federal, state, county, municipal, and other governmental statutes, ordinances, laws, and regulations affecting the premises, the improvements on the premises, or any activity or condition on or in such premises.

b. Damage to and destruction of improvements. The damage, destruction, or partial destruction of any building or other improvement that is a part of the premises shall not release lessee from any obligation under this lease, except as expressly provided below. In case of damage to or destruction of any such buildings or improvement, lessee shall at its own expense promptly repair and restore the building or improvement to a condition as good or better than that which

existed prior to the damage or destruction. Without limiting such obligations of lessee, it is agreed that the proceeds of any insurance covering the damage or destruction shall be made available to lessee for repair or replacement.

16. UTILITIES

Lessee shall fully and promptly pay for all water, gas, heat, light, power, telephone service, and other public utilities of every kind furnished to the premises throughout the term of this lease, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation, and maintenance of the premises and all activities conducted on the premises. Lessor shall have no responsibility of any kind for any of such costs and expenses.

17. LIENS

a. Lessee's duty to keep premises free of liens. Lessee shall keep all of the premises and every part of the premises and all buildings and other improvements at any time located on the premises free and clear of any and all mechanics', materialmen's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of lessee, any alteration, improvement, or repairs or additions which lessee may make or permit or cause to be made, or any work or construction, by, for, or permitted by lessee on or about the premises, or any obligations of any kind incurred by lessee. Lessee shall at all times promptly and fully pay and discharge any and all claims on which any lien may or could be based, and shall indemnify lessor and all of the premises and all buildings and improvements on the premises against all liens and claims of liens and suits or other proceedings pertaining to those liens. Lessee shall give lessor written notice no less than thirty days in advance of the commencement of any construction, alteration, addition, improvement, or repair estimated to

cost in excess of \$5,000 in order that lessor may post appropriate notices of lessor's nonresponsibility.

b. Contesting liens. If lessee desires to contest any lien, it shall notify lessor of its intention to do so within ten days after the filing of the lien. In such a case, and provided that lessee shall on demand protect lessor by a good and sufficient surety bond against any lien and cost, liability, or damage arising out of such contest, lessee shall not be in default under this lease until ten days after the final determination of the validity of the lien, within which time lessee shall satisfy and discharge the lien to the extent held valid. However, the satisfaction and discharge of any such lien shall not, in any case, be delayed until executions had on any judgment rendered on it, and such delay shall be a default of lessee under this lease. In the event of any such contest, lessee shall protect and indemnify lessor against all loss, expense, and damage resulting from the contest.

18. INDEMNIFICATION OF LESSOR

Lessor shall not be liable for any loss, injury, death, or damage to persons or property which at any time may be suffered or sustained by lessee or by any person who may at any time be using or occupying or visiting the leased premises or be in, on, or about the premises, whether the loss, injury, death, or damage shall be caused by or in any way result from or arise out of any act, omission, or negligence of lessee or of any occupant, subtenant, visitor, or user of any portion of the premises, or shall result from or be caused by any other matter or thing. Lessee shall indemnify lessor against all claims, liability, loss or damage whatsoever on account of any such loss, injury, death, or damage. Lessee waives all claims against lessor for damages to the building and improvements that are now on or will later be placed or built on the premises and to the property of lessee in, on, or about the premises, and for injuries to persons or property in or about the premises,

from any cause arising at any time. The three preceding sentences shall not apply to loss, injury, death, or damage arising by reason of the negligence or misconduct of lessor, its agents, or employees.

19. ATTORNEYS' FEES

If any action at law or in equity shall be brought to recover any rent under this lease, or for or on account of any breach of, or to enforce or interpret any of the covenants, terms, or conditions of this lease, or for the recovery of the possession of the leased premises, the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

20. REDELIVERY OF PREMISES

Lessee shall pay the rent and all other sums required to be paid by lessee under this lease in the amounts, at the times, and in the manner provided in this lease, and shall keep and perform all the terms and conditions of this lease on its part to be kept and performed, and at the expiration or sooner termination of this lease, lessee shall peaceably and quietly quit and surrender the premises to lessor in good order and condition subject to the other provisions of this lease. In the event of the non-performance by lessee of any of the covenants which lessee has undertaken, this lease may be terminated as provided in this lease.

21. REMEDIES CUMULATIVE

All remedies conferred on lessor shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law.

22. INSURANCE

Lessee shall, at all times during the term of this lease and at lessee's sole expense, maintain the following insurance coverages:

a. Aircraft Liability including coverage for premises and fire legal liability with no less than Five Hundred Thousand Dollars (\$500,000.00) combined single limit.

b. Special Form property insurance including windstorm and flood with limits no less than the agreed value of the building and improvements.

The policies of insurance shall be primary and written on forms acceptable to lessor and placed with insurance carriers approved and licensed by the State of Florida.

All policies required herein are to be written on an occurrence basis and shall name the lessor, its Agents and Employees as additional insured, shall provide for any loss to be payable to lessor and lessee as their interest may appear, shall require any loss adjustment to have the written consent of lessor and lessee, and the insurer(s) shall agree to waive all rights of subrogation against the lessor, its Agents and Employees. Each policy required by this Agreement shall:

1. Apply separately to each insured against whom claim is made and suit is brought, except with respect to the limits of the insurer's liability.

2. Be endorsed to state that coverage shall not be suspended, voided, or canceled by either party, reduced in coverage or in limits except after 30 days prior written notice by certified mail, return receipt requested, has been given to lessor.

The procuring of such required policy or policies of insurance shall not be construed to limit lessee's liability nor to fulfill the indemnification provisions and requirements of this lease.

Notwithstanding said policy or policies of insurance, lessee shall be obligated for the full and total amount of any damages, injury or loss caused by negligence or neglect connected with this Lease.

23. PROHIBITION OF INVOLUNTARY ASSIGNMENT

Neither this lease nor the leasehold estate of lessee nor any interest of lessee under the lease in the demised premises or in the building or improvements on the premises shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever, except through statutory merger, consolidation, devise or intestate succession. Any such attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

24. NOTICE OF DEFAULT

Except as to the provisions of Section 11 of this lease, lessee shall not be deemed to be in default under this lease in the payment of rent or the payment of any other moneys required in this agreement, or in the furnishing of any bond or insurance policy when required unless lessor shall first give to lessee five days written notice of the default and lessee fails to cure the default within ten days.

Except as to the provisions or events referred to in the preceding sentence of this section, lessee shall not be deemed to be in default under this lease unless lessor first gives to lessee five days' written notice of the default, and lessee fails to cure the default within a ten-day period or, if the default is of such a nature that it cannot be cured within ten days, lessee fails to commence to cure the default within such period of ten days or fails to proceed to the curing of the default with all possible diligence.

25. DEFAULT

In the event of any breach of this lease by lessee, lessor, in addition to the other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the premises; such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of lessee. Should lessor elect to re-enter, as provided in this agreement, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, lessor may either terminate this lease or it may from time to time, without terminating this lease, re-let the leased premises or any part of the premises for such term or terms, which may be for a term extending beyond the term of this lease, and at such rent or rents and on such other terms and conditions as lessor in its sole discretion may deem advisable with the right to make alternations and repairs to the leased premises. On each such re-letting:

(a) Lessee shall be immediately liable to pay to lessor, in addition to any indebtedness other than rent due under this lease, the expenses of re-letting and of any alterations and repairs, incurred by lessor, and the amount, if any, by which the rent reserved in this lease for the period of re-letting, up to but not beyond the term of this lease, exceeds the amount agreed to be paid as rent for the leased premises for the period of re-letting; or

(b) At the option of lessor, rents received by lessor from re-letting shall be applied, first, to the payment of any indebtedness, other than rent due under this lease from lessee to lessor; second, to the payment of any expenses of re-letting and of any alterations and repairs; third, to the payment of rent due and unpaid under this lease; and the remainder, if any, shall be held by lessor and applied in payment of future rent as the rent may become due and payable under this lease.

If lessee has been credited with any rent to be received by re-letting under above option (a), and the rent shall not be promptly paid to lessor by the new tenant, or if rentals received from re-letting under above option (b) during any month is less than that to be paid during that month by lessor under this lease, lessee shall pay any deficiency to lessor. The deficiency shall be calculated and paid monthly. No re-entry or taking possession of the leased premises by lessor shall be construed as an election on the part of lessor to terminate this lease unless a written notice of such intention is given to lessee or unless the termination of the lease is decreed by a court of competent jurisdiction.

Notwithstanding any re-letting without termination, lessor may at any time after that elect to terminate this lease for any previous breach. Should lessor at any time terminate this lease for any breach, in addition to any other remedy it may have, lessor may recover from lessee all damages incurred by reason of the breach, including the cost of recovering the premises, and including the worth at the time of the termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from lessee to lessor.

26. LESSOR'S RIGHT TO PERFORM

In the event that lessee by failing or neglecting to do or perform any act or thing provided for in this lease, defaults under this lease and the failure continues for a period of ten days after written notice from lessor specifying the nature of the act or thing to be done or performed, then lessor may, but shall not be required to, do or perform or cause to be done or performed such act or thing, entering on the leased premises for such purpose, if lessor shall so elect, and lessor shall not

be or be held liable or in any way responsible for any loss, inconvenience, annoyance, or damage resulting to lessee on account of it and lessee shall repay to lessor on demand any expenses, including compensation to the agents and employees of lessor. Any act or thing done by lessor pursuant to the provisions of this section shall not be construed as a waiver of any such default by lessee, or as a waiver of any covenant, term, or condition contained in this lease or the performance of it, or of any other right or remedy of lessor. All amounts payable by lessee to lessor under any of the provisions of this lease, if not paid when the amounts become due as in this lease provided, shall bear interest from the date they become due until paid at the rate of ten percent per year, compounded annually.

27. EFFECT OF EMINENT DOMAIN

a. Effect of total condemnation. In the event the entire leased premises shall be appropriated or taken under the power of eminent domain by any public or quasi-public authority, this lease shall terminate and expire as of the date of the taking, and lessee shall then be released from any liability accruing under this lease after that date.

b. Effect of partial condemnation. In the event a portion of the leased premises shall be so appropriated or taken and the remainder of the property shall not be suitable for the use then being made of the property by lessee, or if the remainder of the property is not one undivided parcel of property, lessee shall have the right to terminate this lease as of the date of the taking on giving to lessor written notice of the termination within ten days after lessor has notified lessee in writing that the property has been appropriated or taken.

In the event of partial taking and lessee does not terminate this lease, this lease shall continue in full force and effect as to the part not taken, and the rent to be paid by lessee during the remainder

of the term, subject to adjustment as provided in the rent adjustment provisions of Section 3 of this lease, shall be determined in the manner provided for above in the rent adjustment provisions. That determination shall not affect or change the times at which lessor may require an adjustment in rent under the provisions; however, the words "which in no event shall be less than the rent then being paid by lessee" appearing in the rent adjustment provisions shall not apply with respect to the determination, but shall apply with respect to any subsequent adjustment under the provisions.

c. Condemnation award. In the event of the termination of this lease by reason of the total or partial taking of the premises by eminent domain, then in any condemnation proceedings lessor and lessee shall be free to make claim against the condemning or taking authority of the amount of any damage done to them, respectively, as a result of the taking.

In the event of a partial taking of the premises and this lease is not terminated, then lessee shall have the right to make claim against the condemning or taking authority for only the un-amortized cost of the improvements placed on the leased premises by lessee and located on the premises at the time of the taking or appropriation, which improvements shall be deemed to amortize in equal annual amounts over the period commencing with the date of completion of the improvements and ending November 30, 2025.

28. SURRENDER OF LEASE

The voluntary or other surrender of this lease by lessee, or a mutual cancellation of this lease, shall not work a merger, and shall, at the option of lessor, terminate all or any existing subleases or subtenancies, or may, at the option of lessor, operate as an assignment to it of any or all such subleases or sub-tenancies.

29. DISPOSITION OF IMPROVEMENTS ON TERMINATION OF LEASE

On termination of this lease for any cause, lessor shall become the owner of any building or improvements on the leased premises, and if the building extends onto other property owned by the then lessee under this lease, the lessee shall convey to lessor, at termination, an undivided interest as tenant in common in all of the property covered by the building which bears the same proportion to the whole as the area of leased premises bears to the total area covered by the building. Lessor shall convey to lessee an undivided interest as tenant in common in the leased premises which bears the same relation to the whole of it as they are covered by the building not included in the leased premises bears to the whole area covered by the building.

30. WAIVER

The waiver by lessor of, or the failure of lessor to take action with respect to any breach of any term, covenant, or condition contained in this lease shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach, or of any other term, covenant, or condition contained in the lease. The subsequent acceptance of rent under this lease by lessor shall not be deemed to be a waiver of any preceding breach by lessee of any term, covenant, or condition of this lease, other than the failure of lessee to pay the particular rental so accepted, regardless of lessor's knowledge of the preceding breach at the time of acceptance of rent.

31. EFFECT OF LESSEE'S HOLDING OVER

Any holding over after the expiration of the term of this lease, with consent of lessor, shall be construed to be a tenancy from month to month, at the same monthly rent as required to be paid by lessee for the period immediately prior to the expiration of the term of this lease, and shall otherwise be on the terms and conditions specified in this lease, so far as applicable.

32. PARTIES BOUND

The covenants and conditions contained in this lease shall, subject to the provisions as to assignment, transfer, and sub-letting, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties to this lease; and all of the parties to this lease shall be jointly and severally liable under the lease.

33. TIME OF THE ESSENCE

Time is of the essence of this lease, and of each and every covenant, term, condition, and provision of this lease.

34. SECTION CAPTIONS

The captions appearing under the section number designations of this lease are for convenience only and are not a part of this lease and do not in any way limit or amplify the terms and provisions of this lease.

35. NONDISCRIMINATION

The lessee for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (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 original shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, (3) that the lessee shall use the 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,

Nondiscrimination 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.

That in the event of breach of any of the above nondiscrimination covenants, lessor shall have the right to terminate the lease and to reenter as if said lease had never been made or issued. The provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed, including exercise or expiration of appeal rights.

36. AIRPORT PROTECTION

It shall be a condition of this lease, that the lessor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property hereinafter described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from or operating on the airport.

That the lessee expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the hereinafter described real property to such a height so as to comply with Federal Aviation Regulations, Part 77.

That the lessee expressly agrees for itself, its successors and assigns, to prevent any use of the hereinafter described real property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

37. PROPERTY RIGHTS RESERVED

This lease and all provisions hereof are subject and subordinate to the terms and conditions of the instruments and documents under which the lessor acquired the subject property from the

United States of America and shall be given only such effect as will not conflict or be inconsistent with the terms and conditions contained in the lease of said lands from the lessor, and any existing or subsequent amendments thereto, and are subject to any ordinances, rules or regulations which have been, or may hereafter be adopted by the lessor pertaining to the Venice Airport.

38. EXCLUSIVE RIGHTS

Notwithstanding anything contained herein to the contrary, the privileges and rights granted to the lessee under this lease are non-exclusive and the lessor reserves the authority to grant similar privileges and rights to another operator or to other operators on other parts of the airport.

39. OPTION TO RENEW

Lessor grants to lessee, subject to the conditions set forth below, the right and option to renew this lease for a period of five years, beginning on December 1, 2025, and expiring on November 30, 2030, at a rental determined as provided above, and otherwise subject to and on all of the terms and conditions herein contained. This option must be exercised by the giving to lessor, on or before September 1, 2025, a written notice to exercise this option by lessee, but lessee shall in no event be entitled to renew the term of this lease, even though notice is timely given, unless lessee shall have timely performed all of its obligations under this lease, and shall not be in default in the performance of any of its obligations, on the date of the expiration of the initial term of this lease.

ATTEST:

Lori Stelzer
LORI STELZER, City Clerk

BRB
Richard B. B...

CITY OF VENICE, FLORIDA

BY: Dean Calamaras
DEAN CALAMARAS, MAYOR

LESSEE

A. C. Schmieler
A. C. SCHMIELER

Approved By City Council

Date: 11-14-00

FIRST AMENDMENT TO LEASE

This First Amendment to Lease is made September 14, 2010, between the City of Venice, a Florida municipality ("Lessor") and BVK, Inc., a Florida Corporation, ("Lessee").

WHEREAS, the City of Venice, as Lessor and A.C. Schimeler, entered into a Lease dated November 14, 2000, for a parcel of land described in the Lease and located at 160 West Airport Avenue, Venice, Florida, (the "Premises"); and

WHEREAS, on June 8, 2010, A.C. Schimeler assigned his interest in the Lease to BVK, Inc; and

WHEREAS, the parties wish to amend the Lease;

WHEREAS, the Lease is presently in full force and effect.

NOW, THEREFORE, in consideration of Ten Dollars (\$10.00) in hand paid by the parties each to the other, and other good and valuable consideration, Lessor and Lessee agree that the Lease shall be amended as follows, effective September 14, 2010:

Paragraph fourteen (14) of the Lease, entitled Construction of Improvements, shall be amended by adding the following sentence to the end of that paragraph fourteen (14):

During the term of this Lease, the Lessee and its assigns shall have the right to use the ramp and taxi area improvements constructed by Lessee and adjoining the premises, which right is necessary for aircraft to travel from the hangar on the premises to the nearby airport taxiway.

All other provisions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, this instrument has been executed the day and year first above written.

date: 9-14-2010

CITY OF VENICE, FLORIDA

By: 

Ed Martin, Mayor
"Lessor"

date: 8-20-10

BVK, Inc., a Florida Corporation

By: 

Kirk W. Fryar, President
"Lessee"

z:\d\lrgarzeny\firstamendment
revisions:z:\a\c\van\kirk\bvk\lease and

Approved By City Council

Date: 09/14/2010

POINT OF COMMENCEMENT

SEC 13 SEC 18 PK & DISK LB 6638
SEC 24 SEC 19 RANGE 19 EAST
TOWNSHIP 39 SOUTH

BASIS OF BEARING

S89°48'15"E
2673.51Ft.
S89°48'15"E
1420.41Ft.

SARASOTA BRASS MONUMENT

N1/4 CORNER SECTION 19

DESCRIPTION AND SKETCH
THIS IS NOT A FIELD SURVEY
SHEET 1 OF 1

BEARINGS SHOWN HEREON ARE ASSUMED. BASIS OF BEARING IS BASED ON THE NORTH LINE OF THE NW1/4 OF SECTION 19 AS MONUMENTED AND SHOWN ON THIS SKETCH.

UNLESS THIS SURVEY BEARS THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS DRAWING, SKETCH, PLAT OR MAP IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT VALID.

THIS DRAWING IS A SKETCH ONLY AND DOES NOT REPRESENT A BOUNDARY SURVEY AS SUCH.

EXHIBIT

B

GRAPHIC SCALE

1"=30'

N00°29'47"E
156.78Ft.

METAL COMMERCIAL BUILDING
#160 WEST
AIRPORT AVENUE

CATCH BASIN

S05°16'26"E
76.79Ft.

S00°33'23"W
61.37Ft.

N89°36'25"W
9.73Ft.

A=65.53Ft.
R=99.15Ft.
Δ 37°51'59"
S71°27'36"W
Lc=64.34Ft.

A parcel of land located in the Northwest 1/4 of Section 19, Township 39 South, Range 19 East, Sarasota County, City of Venice, State of Florida more particularly described as follows:
Commencing at the Northwest corner of said Section 19 and considering the North line of the NW1/4 of said Section 19 to bear South 89°48'15" East with all bearings contained herein relative thereto;
thence South 89°48'15" East along and with said North line a distance of 1420.41 feet;
thence South 00°11'45" West a distance of 414.22 feet to the true point of beginning;
thence South 89°30'13" East, a distance of 62.90 feet;
thence South 05°16'26" East, a distance of 76.79 feet;
thence South 00°33'23" West, a distance of 61.37 feet;
thence North 89°36'25" West a distance of 9.73 feet;
thence along the arc of a curve to the left whose central angle is 37°51'59" and whose radius is 99.15 feet, and whose chord bears South 71°27'36" West and whose chord distance is 64.34 feet an arc distance of 65.53 feet;
thence North 00°29'47" East a distance of 156.78 feet to the true point of beginning. Containing 0.2259 acres more or less.

BRIGHAM/ALLEN LAND SURVEYING

LB 7898

807 U.S. HIGHWAY 41 BYPASS SOUTH

SUITE E

Venice, Florida 34285

ph. (941) 493-4430

brighamallensurveying@gmail.com

This is to certify that a survey was made this day of the property as described and shown hereon, and that this survey and sketch are accurate and correct to the best of our knowledge and belief, and that this survey meets the Minimum Technical Standards set forth by the Florida Board of Surveyors and Mappers in Chapter 5J-17, Florida Administrative Code, and pursuant to Section 472.07, Florida Statutes.

BY:

Michael P. Allen

Professional Surveyor and Mapper PSM 6822 State of Florida

DATE

2-22-12