

FIRST AMENDMENT TO AMENDED AND RESTATED LEASE AGREEMENT

This First Amendment to Amended and Restated Lease Agreement (the "First Amendment") is made and entered into this ____ day of September, 2023, by and between the CITY OF VENICE, a municipal corporation under the laws of the State of Florida, hereinafter called "Lessor" and BVK, INC., a Florida corporation, hereinafter called "Lessee."

WHEREAS, the Lessor and Lessee are parties to an Amended and Restated Lease Agreement dated May 8, 2012, which commenced on May 1, 2012, and is for certain lands known as 120 Airport Avenue West, in Venice, Florida (the "Lease"); and

WHEREAS, the Lessor and Lessee have agreed to expand the leased premises subject to the Lease and extend the term of the Lease in exchange for the Lessee making certain improvements to the leased premises, and to modify certain other provisions of the Lease.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and the Lease, the parties agree as follows:

1. Exhibit "A," attached hereto, depicts and describes the additional premises that are to be subject to the Lease. Exhibit "A" to this Amendment shall be combined with Exhibit "A" of the Lease to define the entire leased "premises" subject to the Lease, as amended.
2. Section 2 of the Lease "TERM" shall be amended to indicate that the initial term of the lease shall end on September 30, 2048.
3. Effective October 1, 2023, the total annual rent under the Lease shall be adjusted to thirty-two thousand, two hundred sixteen and 94/100 dollars (\$32,216.94) and the total monthly rent shall be adjusted to two thousand, six hundred eighty-four and 75/100 dollars (\$2,684.75).
4. Section 4 of the Lease "RENT ADJUSTMENT" is replaced in its entirety with the following:
 - a. Rent adjustment based on consumer price index. Except as provided below, monthly

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 ("Index") as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. Said adjustment shall be made on October 1 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 monthly rent shall be increased by the same percent amount as the percent increase in the Index during the year preceding the adjustment.

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.

b. Rent adjustment based on appraisal. Additionally, at the sole discretion of Lessor, the monthly rent shall be renegotiated prior to October 1, 2033, and again on October 1, 2048, if the option to renew the Lease, as provided for under Section 20, is exercised. Any such renegotiation of the monthly rent shall be based upon an appraisal of the Premises, excluding any and all improvements that may currently exist or any future improvements that may be developed by Lessee during the term of this Lease. Said appraisal shall be obtained by the Lessor and prepared by a qualified MAI-designated ("MAI") appraiser, or equal, not more than one hundred eighty (180) days prior to the effective date of the renegotiated monthly rent as provided for herein.

This renegotiated monthly rent shall be calculated at a rate of not less than eight percent (8%) and not greater than twelve percent (12%) of the fair market value of the Premises. Determination of the exact percentage of fair market value rent within the aforementioned range shall be negotiated by the parties in good faith utilizing relevant market information.

Lessee may obtain, at its sole expense, a separate appraisal by a qualified MAI appraiser.

Should the two appraisals differ by more than ten percent (10%), a third qualified MAI appraiser shall be selected by both Lessor and Lessee. The cost of the third appraiser will be shared equally by Lessor and Lessee. The third appraisal will be utilized to determine fair market value of the Premises based on a review of both Lessor and Lessee's appraisals.

This renegotiated monthly rent shall become effective on October 1, 2033, and again on October 1, 2048, if applicable. The rent adjustment based on the Index shall not apply for the period commencing on the effective date of the renegotiated monthly rent as provided for herein, but shall be adjusted, as described in Section 4.a. of the Lease, one year after the effective date of the renegotiated monthly rent, and every year thereafter throughout the Initial Term of this Lease and any Renewal Term, except as otherwise provided for herein.

In no event shall the rent ever be decreased.

5. Section 20 of the Lease "OPTION TO RENEW" is replaced in its entirety by the following:

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 ("Renewal Term"), beginning on October 1, 2048, and expiring on September 30, 2053, at a rental rate determined as provided pursuant to Section 4 of this Lease, and otherwise subject to and on all of the terms and conditions herein contained. This option must be exercised by the giving to Lessor, at least ninety (90) days in advance, 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.

6. Construction of Additional Improvements. Within twenty-four (24) months of the date of this First Amendment, Lessee shall, at its sole cost and expense, complete the following improvements to the leased premises:

- a. Construction of an approximately 30' x 50' one-story stand-alone metal warehouse structure adjacent to the existing building.

- b. Construction of certain modifications to the existing parking lot.
- c. Installation of additional landscaping in accordance with applicable City of Venice standards.

7. All other terms and conditions of the Lease, as amended, unless specifically amended herein shall remain in full force and effect throughout the remaining term of the Lease.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals to this Second Amendment to Lease the day and year first above written.

[Signature]
Witness

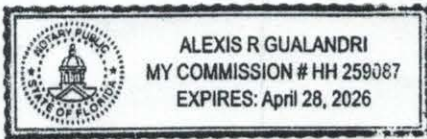
[Signature]
Witness

BVK, INC.

[Signature]
Kirk Fryar
Print Name

STATE OF FLORIDA
COUNTY OF SARASOTA

Acknowledged before me by means of physical presence or online notarization this 23 day of August, 2023, by Kirk Fryar, the President of BVK, Inc., who is () personally known to me or () has produced _____ as identification.



[Signature]
Notary Public, State of Florida
Print Name: Alexis Gualandri
Commission No.: HH 259087
My Commission Expires: 4/28/26

CITY OF VENICE, FLORIDA

By: _____
Nick Pachota, Mayor

ATTEST:

Kelly Michaels, City Clerk

Approved as to Form and Correctness

Kelly Fernandez, City Attorney

EXHIBIT "A"