

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>	<u>(69,000)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes x No _____
 Budget Account No: Fund 4100 Department 120 Unit 8451 RSource 4413
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

Rates are subject to adjustment by appraisal on October 1, 2010.

C. Departmental Fiscal Review: CM Simon

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

James B. O'Neil 9-18-07
 OFMB 9/18/07 CN 9/18/07

James J. Faculet 9/18/07
 Contract Dev. and Control 9/18/07

B. Legal Sufficiency:

James Busto
 Assistant County Attorney

This amendment complies with our review requirements.

C. Other Department Review:

 Department Director

**SECOND AMENDMENT TO
AIR FREIGHT BUILDING LEASE AGREEMENT
BETWEEN PALM BEACH COUNTY AND
UNITED PARCEL SERVICE, INC.**

This Second Amendment (this "Amendment") is made and entered into _____, 2007 by and between Palm Beach County, a political subdivision of the State of Florida ("COUNTY"), and United Parcel Service, Inc., an Ohio corporation, having its office and principal place of business at 1400 North Hurstbourne Parkway, Louisville, Kentucky, 40223 ("LESSEE").

WITNESSETH:

WHEREAS, pursuant to that certain Air Freight Building Lease Agreement between the COUNTY and LESSEE, dated November 20, 1996 (R-96-2014-D) as amended by that certain First Amendment dated September 12, 2006 (R-2006-1898) (the "Lease"), LESSEE leases certain ground areas at the Palm Beach International Airport for the purpose of conducting air freight and cargo operations; and

WHEREAS, the parties now desire to amend the Lease to extend the expiration date of the Lease; and

WHEREAS, the Board of County Commissioners has determined that it is in the best interest of COUNTY to approve this Amendment to the Lease to provide for the extension of the Term (as hereinafter defined).

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt of which the parties hereby expressly acknowledge, the parties hereto covenant and agree to the following terms and conditions:

1. The foregoing recitals are true and correct and incorporated herein by reference. Terms not defined herein shall have the meaning ascribed to them in the Lease.
2. Article I of the Lease is hereby deleted in its entirety and replaced with the following:

ARTICLE I
EFFECTIVE DATE, TERM

1.01 **Effective Date.** This Lease shall become effective when signed by the parties hereto and approved by the Palm Beach County Board of County Commissioners.

1.02 **Term.** The term of this Lease shall commence on October 29, 1996, and shall terminate on September 30, 2012 (the "Term"), unless terminated earlier in accordance with the terms and conditions of this Lease.

1.03 **Renewal Term.** Upon the expiration of the Term, LESSEE shall have the option to renew this Lease for up to two (2) additional, consecutive terms of one (1) year each ("Renewal Term") upon mutual agreement of the parties. Each Renewal Term shall be upon the same terms and conditions set forth herein, except that LESSEE shall have one (1) less renewal option. In the event LESSEE desires to renew this Lease, LESSEE shall provide written notice to COUNTY of its desire to renew this Lease at least sixty (60) days prior to the expiration of the then current term. In the event both COUNTY and LESSEE desire to renew this Lease, the parties shall enter into an amendment to this Lease. The Director of the Department of Airports may execute an amendment pursuant to this paragraph on behalf of COUNTY.

3. Article III of the Lease is hereby amended to add the following:

3.01.1 Annual Rental Commencing on October 1, 2007.

(A) Commencing on October 1, 2007, LESSEE shall pay to COUNTY annual rental in the amount of Sixty Nine Thousand Dollars (\$ 69,000), which shall be payable in accordance with Article 3.06 of this Lease.

(B) If LESSEE is in possession of the leased premises on October 1, 2010, or any three (3) year anniversary thereof (the "Adjustment Date"), the then current rental rate shall be adjusted in accordance with the provisions of this paragraph. The new rental rate shall be determined by an appraisal obtained by COUNTY, which shall set forth the fair market rental for the leased premises. The appraisal shall be performed, at COUNTY's sole cost and expense, by a qualified appraiser selected by COUNTY. COUNTY shall notify LESSEE in writing of the fair market rental of the leased premises as established by the appraisal, which shall become the new rental rate for the leased premises. LESSEE shall commence paying the new rental rate on the Adjustment Date. The new rental rate shall not be less than the rental rate for the prior period. This Lease shall automatically be considered as amended to reflect the new rental rate, without formal amendment hereto, upon COUNTY's written notification of the establishment of the new rental rate applicable to the leased premises.

(C) Notwithstanding any provision of this Lease to the contrary, the rental rate shall be established at all times to ensure compliance with the provisions of Section 710 (rate covenant) of the Palm Beach County Airport System Revenue Bond Resolution, dated April 3, 1984, as amended and supplemented (the "Bond Resolution"), which is hereby incorporated by reference and made part hereof.

4. Article XXX of the Lease is hereby deleted in its entirety.

5. Except as specifically modified herein, all of the terms and conditions of the Lease remain unchanged and in full force and effect and COUNTY and LESSEE hereby ratify, confirm, and adopt the Lease as amended hereby.

6. This Amendment shall become effective when signed by the parties and approved by the Palm Beach County Board of County Commissioners.

(Remainder of page left blank intentionally)

IN WITNESS WHEREOF, COUNTY has caused this Amendment to be signed by the Chair of the Board of County Commissioners and the seal of the Board to be affixed hereto and attested by the Clerk of the Board, pursuant to the authority granted by the Board, and LESSEE, United Parcel Service, has caused these presents to be signed in its lawful name by its duly authorized officer, the Assistant Treasurer acting on behalf of LESSEE, and the seal of LESSEE to be affixed hereto the day and year first written above.

ATTEST:
SHARON R. BOCK, CLERK
AND COMPTROLLER

PALM BEACH COUNTY, FLORIDA, A
POLITICAL SUBDIVISION OF THE
STATE OF FLORIDA, BY ITS BOARD OF
COUNTY COMMISSIONERS

By: _____
Deputy Clerk

By: _____
Addie L. Greene, Chairperson

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND
CONDITIONS

By: _____
County Attorney

By: [Signature]
Director, Department of Airports

WITNESS
ATTEST:

Signed, sealed and delivered in the
presence of two witnesses for LESSEE:

ss.
United Parcel Service, Inc.

[Signature]
Signature

By: [Signature]

J. PETER LEVERMORE
Typed or Printed Name

Dan Shaw
Typed or Printed Name Corporate Officer

[Signature]
Signature

Title: Assistant Treasurer

Denise Williams
Typed or Printed Name

(Corporate Seal)