

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date:	January 12, 2010	<input checked="" type="checkbox"/> Consent	<input type="checkbox"/> Regular
		<input type="checkbox"/> Ordinance	<input type="checkbox"/> Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) approve** a Second Amendment To Lease Agreement with Bedner Farm, Inc. (R2001-0582);
- B) approve** a Second Amendment To Lease Agreement with Bowman Growers, Inc. (R2001-0519);
- C) approve** a Second Amendment To Lease Agreement with Bowman Growers, Inc. (R2001-0517);
- D) approve** a Second Amendment To Lease Agreement with Bowman Growers, Inc. (R2001-0518);
- E) approve** a Third Amendment To Lease with South Florida Water Management District (SFWMD) and Pero Family Farms, LLC (R2002-1489);
- F) approve** a First Amendment To Lease Agreement with Pero Family Farms, LLC (R2001-1541);
- G) approve** a First Amendment To Lease Agreement with Floral Acres, L.L.C. (R2002-0889);
- H) approve** a First Amendment To Agricultural Lease Agreement with K and M Nursery, Inc. (R2008-1009); and
- I) adopt** eight (8) Resolutions authorizing the reduction of rent for each of the foregoing Lease Amendments.

Summary: Last year, the farmers and nurserymen who lease property in the Ag Reserve from the County requested reductions in the rent they pay the County. On July 21, 2009 (R2009-1214), the Board approved rent reductions in the Ag Reserve property to \$500/acre for row crops (Bedner Farm, Bowman Growers and Pero Family Farms) and \$1,000/acre for nurseries (Floral Acres and K and M Nursery). Pursuant to Board direction, the rent reductions were implemented in July of 2009, and these Lease Amendments formalize the reductions. The County shall have the right each year to obtain an appraisal of the current market rental rate and adjust the rent to the then current market rate. The farmers will also be required to furnish their row crop yields at the end of each harvest season to provide further information with which to assess the profitability of farming operations and the ability to pay rent. The Third Amendment to the Lease with SFWMD and Pero Family Farms requires re-execution. On February 3, 2009 (R2009-0249), the Third Amendment was approved, however, prior to executing this document, Pero Family Farms converted its corporate status to that of a limited liability company. **(PREM) Districts 3 & 5 (HJF)**

(continued on page 3)

Attachments:

- | | |
|---|--|
| <ul style="list-style-type: none"> 1. Location Maps (4) 2. Ag Rent Reduction Summary 3. Second Amendment -Bedner Farm 4. Second Amendment - Bowman Growers (3) 5. Third Amendment -SFWMD/Pero Family Farms 6. First Amendment - Pero Family Farms | <ul style="list-style-type: none"> 7. First Amendment - Floral Acres 8. First Amendment - K and M Nursery 9. Resolutions (8) 10. February 3, 2009, Agenda Item 11. July 21, 2009, Agenda Item |
|---|--|

Recommended By:		12/17/09	
	Department Director	Date	
Approved By:		1/10/10	
	County Administrator	Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT	* (see below)				
# ADDITIONAL FTE POSITIONS (Cumulative)					
Is Item Included in Current Budget:	Yes	No			
Budget Account No:	Fund	Dept	Unit	Object	
	Program				

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

* Revenues from the Ag Reserve Leases are allocated to Maintenance of Environmentally Sensitive Lands. The reduced rent will result in annual reductions of \$846,014.03, unless the Ag Reserve is reappraised and rent is adjusted accordingly. The financial details for each Amendment are set forth in the attached spreadsheet. The current budget reflects these reduced revenues.

C. Departmental Fiscal Review:

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

Jim Orr 1-8-10
OFMB 1/17/10
10M 1-7-10

Ann J. Janssen 1/17/10
Contract Development and Control
EJ 1/11/10

B. Legal Sufficiency:
[Signature]
Assistant County Attorney
Agreements not signed at time of CAO review

The documents in the 1 for comply with our current requirements at the time of our review, they were not executed

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Background and Justification: Each of the Leases is discussed in detail below.

The Bedner Farms Lease Agreement is for approximately 245 acres of land located on the west side of State Road 7/441 and north of Boynton Beach Boulevard. The Lease Agreement expires May 31, 2010, and thirteen (13) renewal options of one (1) year each remain. The Amendment reduces the annual rent by \$39,165.50, from \$162,084.00 to \$122,918.50.

Bowman Growers has three (3) Lease Agreements totaling approximately 843 acres of land located east of State Road 7/441 and north of Atlantic Avenue. All three Lease Agreements expire June 30, 2010, and all of the Lease Agreements' terms are automatically extended on an annual basis to a maximum of June 30, 2025, unless canceled by either party. The Amendment reduces the total annual rent by \$118,846.87, from \$540,299.87 to \$421,453.00.

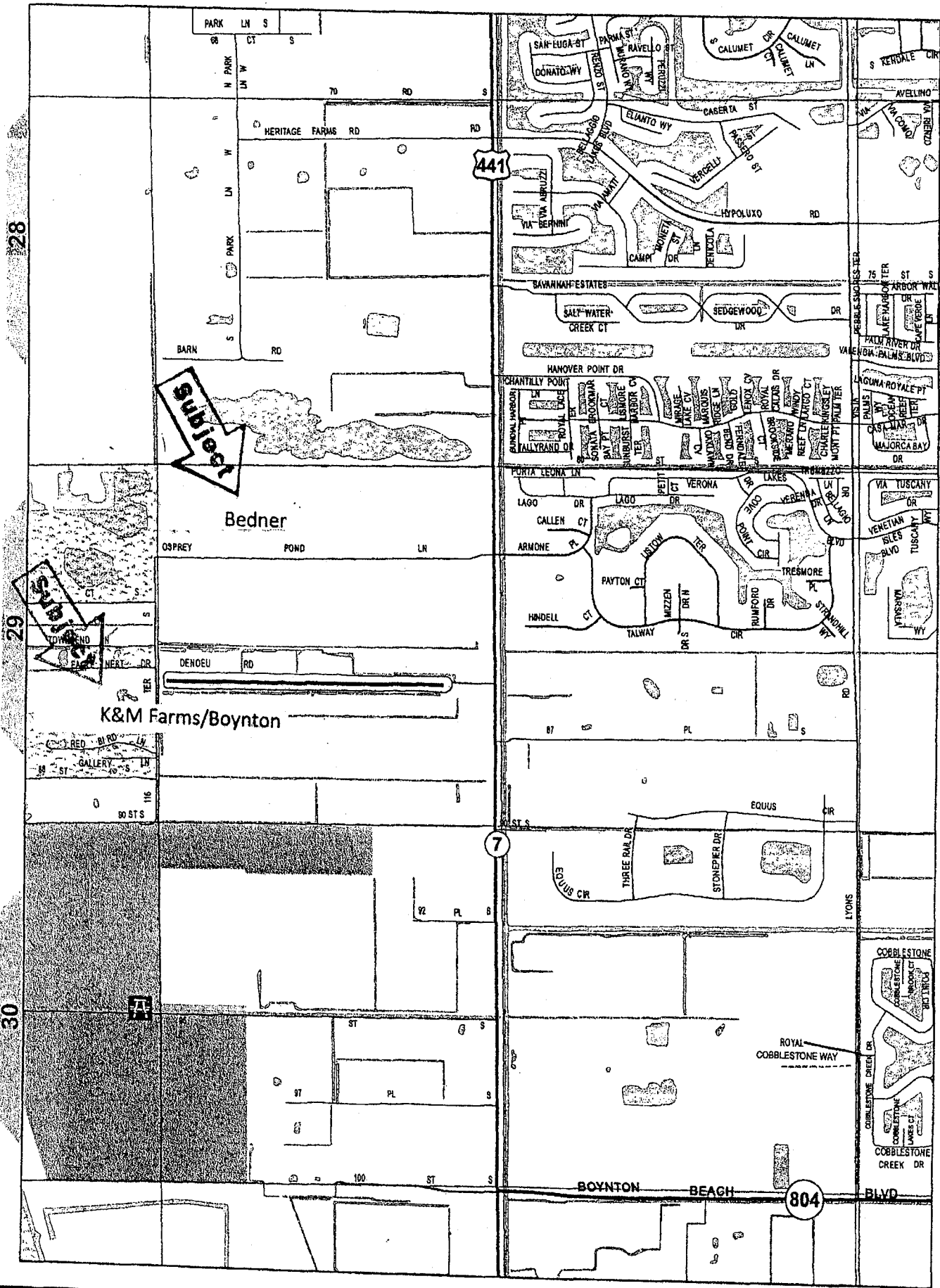
The Pero Family Farms (McMurrain) Lease with SFWMD and the County is for approximately 571 acres of land located west of State Road 7/441 and north of Atlantic Avenue. The Lease expires on May 31, 2012. The Third Amendment incorporates a previously agreed upon rental rate of \$500 per gross acre.

The Pero Family Farms (York) Lease Agreement with the County is for approximately 272 acres of land located east of State Road 7/441 and south of Boynton Beach Boulevard. The Lease Agreement expires on August 20, 2011, and two (2) renewal options of five (5) years each remain. The Amendment reduces the annual rent by \$267,103.46, from \$403,103.46 to \$136,000.00.

The Floral Acres Lease Agreement is for approximately 38 acres of land located east of State Road 7/441 and south of Boynton Beach Boulevard. The Lease Agreement expires on June 3, 2012, and three (3) renewal options of five (5) years each remain. The Amendment reduces the annual rent by \$11,980.00, from \$49,560.00 to \$37,580.00.

The K and M Nursery Lease Agreement is for approximately 18 acres of farmable land located west of State Road 7/441 and north of Boynton Beach Boulevard. The County acquired the property from West Boynton Farms and the Lease Agreement with West Boynton Farms was subsequently assigned to the County in 2008. The Lease Agreement expires on April 30, 2010, and the term is automatically extended on an annual basis unless canceled by either party. The Amendment reduces the annual rent by \$15,799.00, from \$34,299.00 to \$18,500.00.

Florida Statutes Section 286.23 requires that a Disclosure of Beneficial Interest be obtained when a property held in a representative capacity is leased to the County, but does not require such Disclosure when the County leases property to a tenant. Since the Statute does not require the Disclosure and since these are amendments to the Lease Agreements which were previously approved by the Board, Staff did not request new Disclosures.

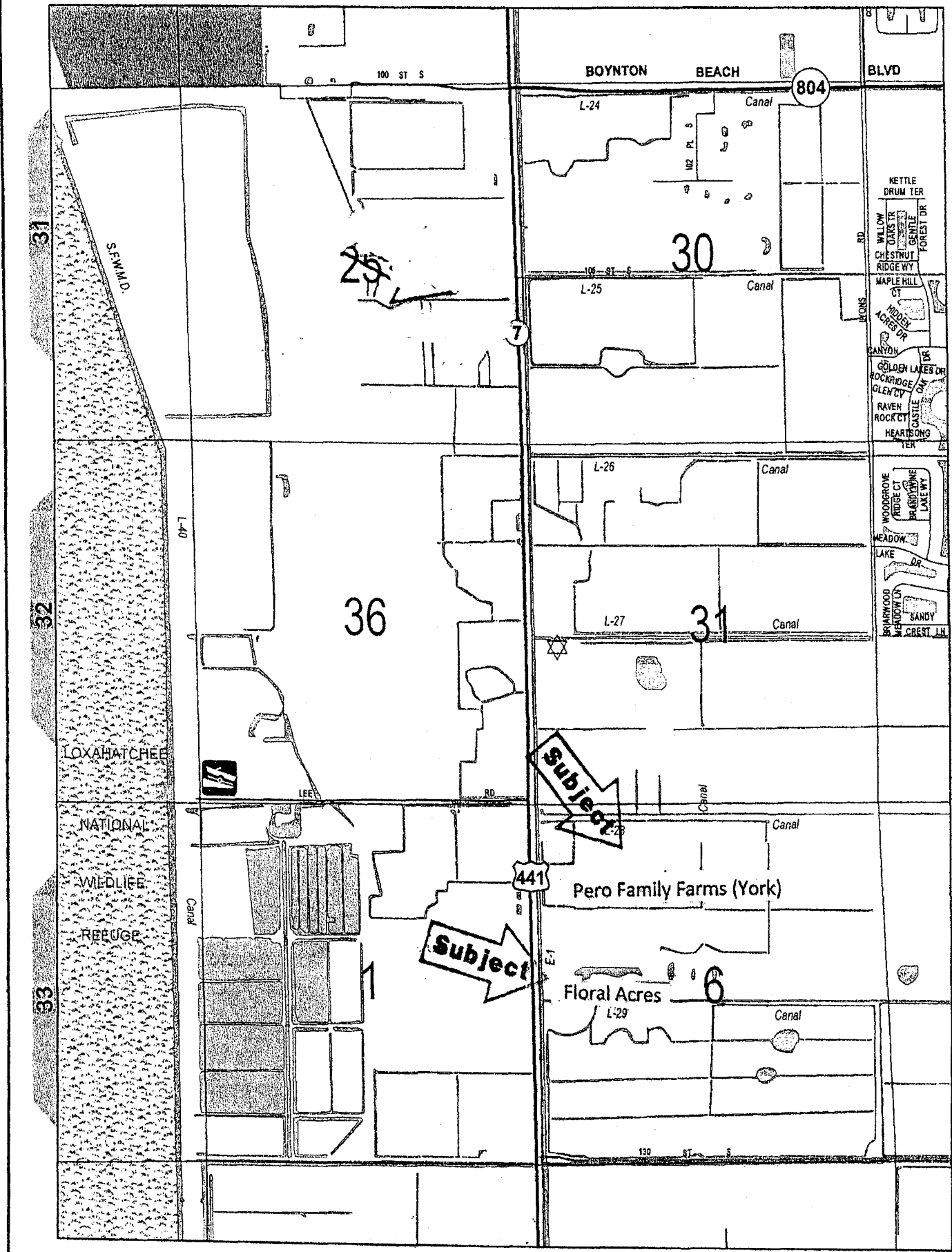


Bedner

K&M Farms/Boynton

LOCATION MAP

ATT. # 1



T45

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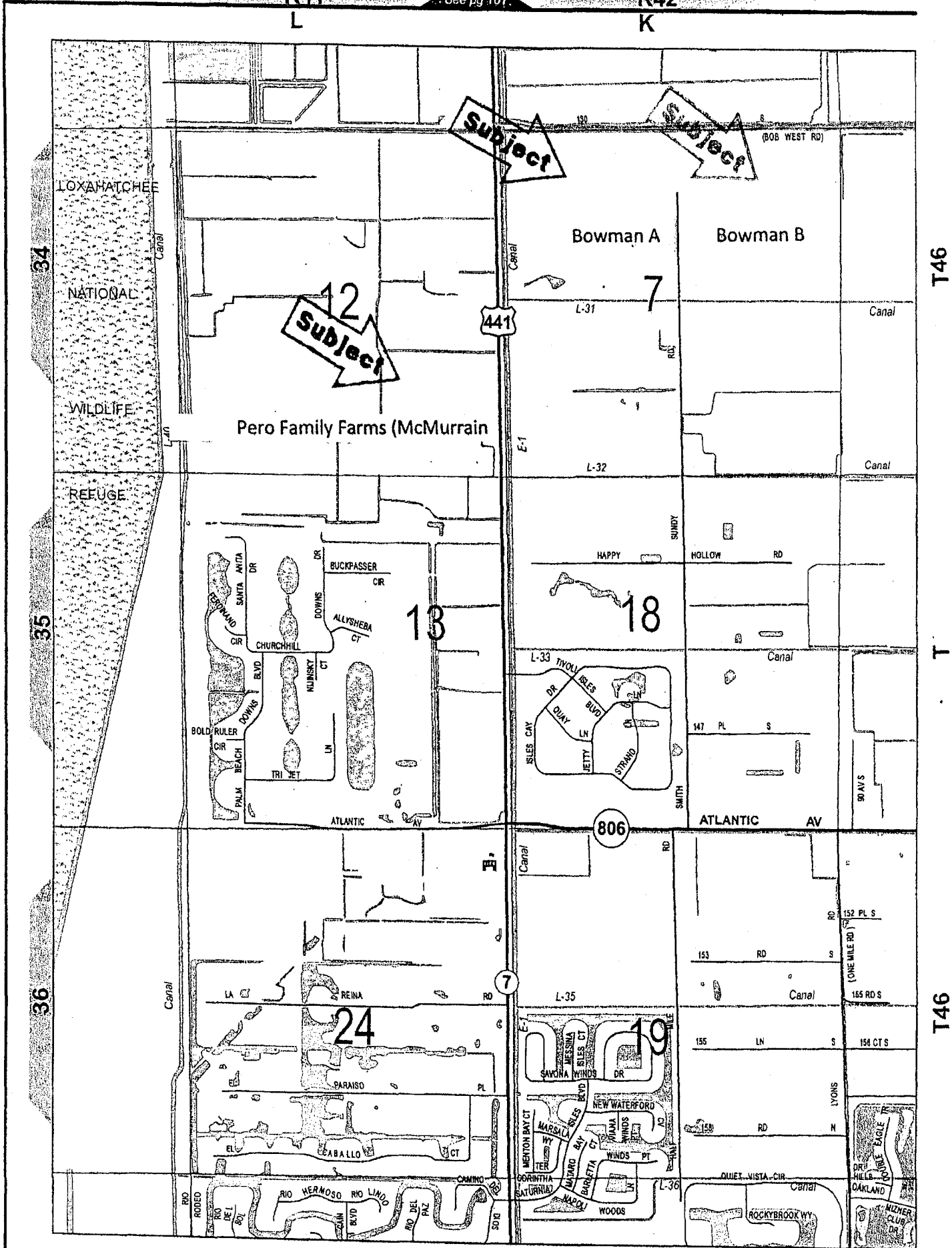
T46

Pero Family Farms (York)

Floral Acres

LOCATION MAP





Bowman A
Bowman B
Pero Family Farms (McMurrain

LOCATION MAP



Bedner
Bowman C

LOCATION MAP

AG Rent Reduction Summary

[illegible]

SECOND AMENDMENT TO LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**BEDNER FARM, INC.,
a Florida corporation**

G:\Property Mgmt Section\In Lease\Bedner Farm\Amendment 2\2nd Amend.004.HF app.010510.clean.sks.rev.final.doc

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Bedner Farm, Inc., a Florida corporation, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant entered into a Lease Agreement dated June 26, 2001 (R2001-0582) (the "Lease") with County for approximately 245.84 acres of farm land; and

WHEREAS, County and Tenant entered into the First Amendment to Lease Agreement (R2007-0827) on May 15, 2007, in order to grant Tenant twelve (12) additional one-year options to extend the term of the Lease; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent, revise the method for adjusting rent, and provide for the documentation of Tenant's crop yields; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 2.01 of the Lease is modified to provide that effective July 22, 2009, the annual net Rent for the Premises was reduced to \$122,918.50. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment.
3. Section 2.02(b) of the Lease is deleted in its entirety and replaced with the following:

Section 2.02(b) Schedule of Rent Adjustments.

Either County or Tenant may determine prior to June 1 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate should be adjusted. In the event either party determines that an appraisal is

warranted, County shall obtain, at the expense of the party requesting the appraisal and in accordance with the requirements set forth herein, an appraisal of the then current fair market value rental for the Premises. In the event the appraisal indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the June 1 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

4. Section 2.02(c) of the Lease is deleted in its entirety.
5. Section 13.02(a) is amended, as to the Property and Real Estate Management Division address, to:

Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605

6. Tenant shall submit the figures for its crop yields within thirty (30) days after the completion of the growing season (August through June) to:

Palm Beach Soil & Water Conservation District
Attention: Administrator
420 S. State Road 7, Suite 162
Royal Palm Beach, FL 33414
Phone: 561-792-2727

7. Except as modified by this Second Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this Second Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESSES:

TENANT

BEDNER FARM, INC.
a Florida corporation

Sign

Print Name

By: _____
Name: _____
Title: _____

Sign

Print Name

(SEAL)

CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

<div>FLORIDA FARM BUREAU INSURANCE COMPANIES</div> <div>P.O. BOX 147030</div> <div>GAINESVILLE, FLORIDA 32614-7030</div>	<div>COMPANIES AFFORDING COVERAGES:</div> <div>Company Letter A: Florida Farm Bureau General Ins. Co.</div> <div>Company Letter B: Florida Farm Bureau Casualty Ins. Co.</div>
<div>NAME AND ADDRESS OF INSURED:</div> <div>BEDNER FARM INC</div> <div>210 N UNIVERSITY DR STE 200</div> <div>CORAL SPRINGS, FL 33071-7339</div>	

The policies of insurance listed below have been issued to the insured named above and are in force at this time. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS		
A	<div>GENERAL LIABILITY:</div> <div><input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY (OCCURRENCE FORM)</div> <div><input type="checkbox"/> OWNER'S & CONTRACTOR'S PROTECTIVE</div> <div><input type="checkbox"/> FARMER'S PERSONAL LIABILITY</div>	CPP 9521697 02	07/19/2009	07/19/2010	GENERAL AGGREGATE		
					\$ 2,000		
					PRODUCTS-COMPLETED OPERATIONS AGGREGATE		
					\$ 2,000		
					PERSONAL & ADVERTISING INJURY		
					\$ 1,000		
	<div>AUTOMOBILE LIABILITY:</div> <div><input type="checkbox"/> ANY AUTO</div> <div><input type="checkbox"/> ALL OWNED AUTOS</div> <div><input type="checkbox"/> SCHEDULED AUTOS</div> <div><input type="checkbox"/> HIRED AUTOS</div> <div><input type="checkbox"/> NON-OWNED AUTOS</div>				EACH OCCURRENCE		
					\$ 1,000		
					FIRE DAMAGE (Any one fire)		
					\$ 50		
	<div>EXCESS LIABILITY:</div> <div><input type="checkbox"/> UMBRELLA FORM</div> <div><input type="checkbox"/> OTHER THAN UMBRELLA FORM</div>				MEDICAL EXPENSE (Any one person)		
					\$ 5		
					COMBINED SINGLE LIMIT		
					\$		
	<div>EMPLOYERS LIABILITY:</div> <div><input type="checkbox"/> FARM EMPLOYER'S LIABILITY</div> <div><input type="checkbox"/> FARM EMPLOYEE'S MEDICAL</div>				BODILY INJURY (Per Person)		
					\$		
					BODILY INJURY (Per Accident)		
					\$		
	<div>OTHER:</div>				PROPERTY DAMAGE		
					\$		
					EACH OCCURRENCE		
					\$		
					AGGREGATE		
					\$		
					(Each Occurrence)		
					\$		
					(Each Employee)		
					\$		

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES:

SEE FORM CG 20 11 11 85

LOCATIONS: 003 - 005

CANCELLATION: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

<div>NAME AND ADDRESS OF CERTIFICATE HOLDER:</div> <div>PALM BEACH COUNTY BOCC</div> <div>PROPERTY & REAL ESTATE MANAGEMENT</div> <div>ATTN: DIRECTOR</div> <div>2633 VISTA PKWY</div> <div>WEST PALM BEACH FL 33411-5613</div>	<div>County Code 50-0 Date Issued 08/11/2009</div> <div>Serviced by PALM BEACH County Farm Bureau</div> <div>ROBERT LENTZ AUTHORIZED REPRESENTATIVE</div>
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SECOND AMENDMENT TO LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**BOWMAN GROWERS, INC.,
a Florida corporation**

ATT.# 4

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Bowman Growers, Inc., a Florida corporation, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant entered into a Lease Agreement dated April 3, 2001 (R2001-0519) (the "Lease") with County pursuant to which Tenant leased from County approximately 319+/- acres of farm land as defined in the Lease; and

WHEREAS, County and Tenant entered into an Amendment to Lease (R2007-0347) on February 27, 2007, which reduced the net actual acreage of the Premises to 233.96 acres and granted Tenant twelve (12) additional one-year options to extend the term of the Lease; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent, revise the method for adjusting rent, and provide for the documentation of Tenant's crop yields; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 2.01 of the Lease is modified to provide that effective July 22, 2009, the annual net Rent for the Premises was reduced to \$116,980.00. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment. Rent shall continue to be paid in equal semi-annual installments on July 1 and January 1 of each year.
3. Section 2.02(b) of the Lease is deleted in its entirety and replaced with the following:

Section 2.02(b) Schedule of Rent Adjustments.

Either County or Tenant may determine prior to July 1 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate

should be adjusted. In the event either party determines that an appraisal is warranted, County shall obtain, at the expense of the party requesting the appraisal and in accordance with the requirements set forth herein, an appraisal of the then current fair market value rental for the Premises. In the event the appraisal indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the July 1 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

4. Section 2.02(c) of the Lease is deleted in its entirety.
5. Section 13.02(a) is amended, as to the Property and Real Estate Management Division address, to:

Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605

6. Tenant shall submit the figures for its crop yields within thirty (30) days after the completion of the growing season (August through June) to:

Palm Beach Soil & Water Conservation District
Attention: Administrator
420 S. State Road 7, Suite 162
Royal Palm Beach, FL 33414
Phone: 561-792-2727

7. Except as modified by this Second Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this Second Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESSES:

TENANT

BOWMAN GROWERS, INC.
a Florida corporation

Sign

By: _____

Print Name

Name: _____

Title: _____

Sign

Print Name

(SEAL)

G:\Property Mgmt Section\In Lease\Bowman Farms Parcel A\Second Amendment\2nd Amend.004.HF app.010510.clean.sks.rev.final.doc

SECOND AMENDMENT TO LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**BOWMAN GROWERS, INC.,
a Florida corporation**

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Bowman Growers, Inc., a Florida corporation, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant entered into a Lease Agreement dated April 3, 2001 (R2001-0517) (the "Lease") with County pursuant to which Tenant leases from County approximately 297.496 acres of farm land as defined in the Lease; and

WHEREAS, County and Tenant entered into an Amendment to Lease (R2007-0347) on February 27, 2007 (the "First Amendment"), which granted Tenant twelve (12) additional one-year options to extend the term of the Lease and provided for the future extension of Lyons Road; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent, revise the method for adjusting rent, and provide for the documentation of Tenant's crop yields; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 2.01 of the Lease is modified to provide that effective July 22, 2009, the annual net Rent for the Premises was reduced to \$148,748.00. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment. Rent shall continue to be paid in equal semi-annual installments on July 1 and January 1 of each year.
3. Section 2.02(b) of the Lease is deleted in its entirety and replaced with the following:

Section 2.02(b) Schedule of Rent Adjustments.

Either County or Tenant may determine prior to July 1 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate

should be adjusted. In the event either party determines that an appraisal is warranted, County shall obtain, at the expense of the party requesting the appraisal and in accordance with the requirements set forth herein, an appraisal of the then current fair market value rental for the Premises. In the event the appraisal indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the July 1 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

4. Paragraph #4 of the First Amendment, Rent Adjustments, is deleted in its entirety.
5. Section 13.02(a) is amended, as to the Property and Real Estate Management Division address, to:

Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605

6. Tenant shall submit the figures for its crop yields within thirty (30) days after the completion of the growing season (August through June) to:

Palm Beach Soil & Water Conservation District
Attention: Administrator
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Royal Palm Beach, FL 33414
Phone: 561-792-2727

7. Except as modified by this Second Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this Second Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESSES:

TENANT

BOWMAN GROWERS, INC.
a Florida corporation

Sign

By: _____

Print Name

Name: _____

Title: _____

Sign

Print Name

(SEAL)

SECOND AMENDMENT TO LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**BOWMAN GROWERS, INC.,
a Florida corporation**

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Bowman Growers, Inc., a Florida corporation, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant entered into a Lease Agreement dated April 3, 2001 (R2001-0518) (the "Lease") with County pursuant to which Tenant leases from County approximately 317+/- acres of farm land as defined in the Lease; and

WHEREAS, County and Tenant entered into an Amendment to Lease (R2007-0347) on February 27, 2007 (the "First Amendment"), which granted Tenant twelve (12) additional one-year options to extend the term of the Lease and provided for the future extension of Lyons Road; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent, revise the method for adjusting rent, and provide for the documentation of Tenant's crop yields; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 2.01 of the Lease is modified to provide that effective July 22, 2009, the annual net Rent for the Premises was reduced to \$155,725.00. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment. Rent shall continue to be paid in equal semi-annual installments on July 1 and January 1 of each year.
3. Section 2.02(b) of the Lease is deleted in its entirety and replaced with the following:

Section 2.02(b) Schedule of Rent Adjustments.

Either County or Tenant may determine prior to July 1 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate

should be adjusted. In the event either party determines that an appraisal is warranted, County shall obtain, at the expense of the party requesting the appraisal and in accordance with the requirements set forth herein, an appraisal of the then current fair market value rental for the Premises. In the event the appraisal indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the July 1 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

4. Paragraph #4, Rent Adjustments, of the First Amendment is deleted in its entirety.
5. Section 13.02(a) is amended, as to the Property and Real Estate Management Division address, to:

Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605

6. Tenant shall submit the figures for its crop yields within thirty (30) days after the completion of the growing season (August through June) to:

Palm Beach Soil & Water Conservation District
Attention: Administrator
420 S. State Road 7, Suite 162
Royal Palm Beach, FL 33414
Phone: 561-792-2727

7. Except as modified by this Second Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this Second Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESSES:

TENANT

BOWMAN GROWERS, INC.
a Florida corporation

Sign

By: _____

Print Name

Name: _____

Title: _____

Sign

Print Name

(SEAL)

SFWMD No. C-13488-A03
SAP#4600000050

THIRD AMENDMENT TO LEASE

between

PALM BEACH COUNTY, FLORIDA

and

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

and

PERO FAMILY FARMS, LLC

Exhibits:

Exhibit "A" – Rent Schedule

ATT. #5

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT, is made and entered into this ____ day of _____, 2010, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "COUNTY", South Florida Water Management District, hereinafter referred to as the "DISTRICT", a public corporation of the State of Florida, and Pero Family Farms, LLC, a Florida limited liability company formerly known as Pero Family Farms, Inc., a Florida corporation, hereinafter referred to as "PERO".

WITNESSETH:

WHEREAS, PERO entered into a lease, effective as of June 1, 2000, with McMurrain Farms Limited Partnership, a Florida limited partnership, hereinafter referred to as the "LEASE", for approximately 623.96 acres of farm land, referred to as the "McMurrain Property", located on State Road 7/U.S. Highway 441, Delray Beach, Florida; and

WHEREAS, the COUNTY subsequently purchased the McMurrain Property and was assigned the LEASE; and

WHEREAS, in accordance with an Interlocal Agreement (R2000- 0806) between the DISTRICT and the COUNTY dated June 6, 2000, as amended, the DISTRICT acquired from the COUNTY an undivided 60.6% fee interest in 570.77 acres of the McMurrain Property (hereinafter the "PREMISES"); and

WHEREAS, COUNTY, DISTRICT and PERO, entered into a Partial Assignment, Bifurcation and Amendment of Lease dated August 27, 2002 (R2002-1489) (the "Partial Assignment"); and

WHEREAS, DISTRICT and PERO, entered into that certain Amendment Number One dated July 26, 2005 in order to extend the term of the LEASE through May 31, 2006 and to increase the rent to \$1,200.00 per acre; and

WHEREAS, COUNTY, DISTRICT and PERO, entered into that certain Second Amendment to Lease dated May 16, 2006 (R2006-0904), in order to extend the term of the LEASE through May 31, 2009, and to establish the rent through the extended term; and

WHEREAS, COUNTY, DISTRICT and Pero Family Farms, Inc., entered into that certain Third Amendment to Lease dated February 3, 2009 (R2009-0249) in order to extend the term of the LEASE through May 31, 2012, and to establish the rent through the extended term; and

WHEREAS, prior to the execution of the Third Amendment to Lease, Pero Family Farms, Inc., had converted its corporate status to that of a limited liability company and is now Pero Family Farms, LLC; and

WHEREAS, COUNTY, DISTRICT and PERO must re-execute the Third Amendment to Lease in PERO's correct name and provide for a retroactive effective date of January 1, 2009, in order to extend the term of the LEASE and establish the rent from January 1, 2009, through the remainder of the term as intended; and

WHEREAS, the parties acknowledge and agree that during the period from February 3, 2009, until the full execution of this Third Amendment, the parties were and are bound by the terms of the LEASE, as amended.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. All defined terms as used herein shall have the same meaning and effect as in the LEASE, as amended.
2. The term of the LEASE shall be fixed and run through May 31, 2012. All references to extension options and the rights of any party to approve such extensions shall be of no force and effect.
3. PERO shall pay rent during the remainder of the term of this LEASE on the dates and in the amounts set forth in Exhibit "A" attached hereto.
4. Except as modified by the Partial Assignment, Amendment Number One, Second Amendment to Lease, and this Third Amendment, the LEASE remains unmodified and in full force and effect in accordance with the terms thereof.
5. In the event of a natural disaster or other act of God which would have a material adverse effect on the business operations of Pero, Pero may thereafter terminate the Lease upon thirty (30) days' written notice.
6. This Third Amendment shall be retroactively effective as of January 1, 2009.
7. This Third Amendment hereby replaces that certain Third Amendment dated February 3, 2009 (R2009-0249) in its entirety, which instrument is hereby deemed null and void due to the execution thereof by Pero Family Farms, Inc. rather than Pero Family Farms, LLC.

IN WITNESS WHEREOF, COUNTY, DISTRICT, and PERO have executed this Third Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

SFWMD Procurement Approved:

DISTRICT

Sign

SOUTH FLORIDA WATER MANAGEMENT DISTRICT,
a public corporation of the State of Florida

Print Name – Date

By: _____
Name: Frank Hayden
Title: Procurement Director

ATTEST:

Legal Form Approved:
SFWMD Office of Counsel

Print Name: _____
Title: _____

By: _____
Date: _____

(CORPORATE SEAL)

Witnesses:

Print Name: _____

Print Name: _____

WITNESS:

PERO

PERO FAMILY FARMS, LLC
a Florida limited liability company

Sign

Print Name

Sign

Print Name

By: _____

Name: _____

Title: _____

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**EXHIBIT “A”
(rent schedule)**

PERO shall pay rent to **DISTRICT** on or before the dates shown herein and in the amount set forth as follows:

Term	Per Gross Acre	Semi-Annual Payment
01/01/09-06/30/09	\$500.00	\$142,692.50
07/01/09-12/31/09		\$142,692.50
01/01/10-06/30/10	\$515.00	\$146,973.28
07/01/10-12/31/10		\$146,973.27
01/01/11-06/30/11	\$530.45	\$151,382.47
07/01/11-12/31/11		\$151,382.47
01/01/12-5/31/12	\$546.36	\$155,922.95

FIRST AMENDMENT TO LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**PERO FAMILY FARMS, LLC,
a Florida limited liability company**

G:\Property Mgmt Section\In Lease\Pero Family Farms, Inc\First Amendment\First Amend.004.HF app.010510.clean.sks.rev.final.doc

ATT. #6

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT, is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Pero Family Farms, LLC, a Florida limited liability company formerly known as Pero Family Farms, Inc., a Florida corporation, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Pero Family Farms, Inc., entered into a Lease Agreement dated September 11, 2001, (R2001-1541) (the "Lease") with County for approximately 272 acres of farm land; and

WHEREAS, Pero Family Farms, Inc., subsequently converted its corporate status to that of a limited liability company and is now Pero Family Farms, LLC; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent, revise the method for adjusting rent, and provide for the documentation of Tenant's crop yields; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 2.01 of the Lease is modified to provide that effective July 22, 2009, the annual net Rent for the Premises was reduced to \$136,000.00. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment.
3. Section 2.02 of the Lease is deleted in its entirety and replaced with the following:

Section 2.02 Rent Adjustments.

Either County or Tenant may determine prior to September 11 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate should be adjusted. In the event either party determines that an appraisal is warranted, County shall obtain, at the expense of the party requesting the

appraisal and in accordance with the requirements set forth herein, an appraisal of the then current fair market value rental for the Premises. In the event the appraisal indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the September 11 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

5. Section 13.02(a) is amended, as to the Property and Real Estate Management Division address, to:

Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605

And, as to the Palm Beach Soil & Water Conservation District address, to:

Palm Beach Soil & Water Conservation District
Attention: Administrator
420 S. State Road 7, Suite 162
Royal Palm Beach, FL 33414

6. Section 13.02(b) is amended, as to the name of the Tenant, to:

Pero Family Farms, LLC

7. Tenant shall submit the figures for its crop yields within thirty (30) days after the completion of the growing season (August through June) to the Palm Beach Soil & Water Conservation District at the address set forth in Section 13.02(a).
8. Except as modified by this First Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this First Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESS:

TENANT

PERO FAMILY FARMS, LLC
a Florida limited liability company

Sign

By: _____

Print Name

Name: _____

Title: _____

Sign

Print Name

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

RSUY9F4A

DATE (MM/DD/YYYY)
07/01/2009

PRODUCER
MCGRIFF, SEIBELS & WILLIAMS OF GEORGIA, INC.
5605 Glenridge Drive - Suite 300
Atlanta, GA 30342
404 497-7500

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED
Pero Family Farms, LLC
Pero Vegetable Co., LLC
14095 State Road 7
Delray Beach, FL 33446

INSURERS AFFORDING COVERAGE

INSURER A: Charter Oak Fire Ins Co

INSURER B: St. Paul Fire & Marine Ins Co

INSURER C:

INSURER D:

INSURER E:

NAIC #

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <div><div><div><div></div></div>COMMERCIAL GENERAL LIABILITY</div><div><div><div></div></div>CLAIMS MADE</div><div><div><div></div></div><div><div><div></div></div></div><div><div><div></div></div></div></div><div><div><div></div></div>GEN'L AGGREGATE LIMIT APPLIES PER: <div><div><div><div>X</div></div>POLICY</div><div><div><div></div></div>PRO-JECT</div><div><div><div></div></div>LOC</div></div></div></div>	4692N816	05/01/2009	05/01/2010	<div>EACH OCCURRENCE</div> <div>DAMAGE TO RENTED PREMISES (Ea occurrence)</div> <div>MED EXP (Any one person)</div> <div>PERSONAL & ADV INJURY</div> <div>GENERAL AGGREGATE</div> <div>PRODUCTS - COMP/OP AGG</div>	<div>\$ 1,000,000</div> <div>\$ 300,000</div> <div>\$ 10,000</div> <div>\$ 1,000,000</div> <div>\$ 2,000,000</div> <div>\$ 2,000,000</div>
A		AUTOMOBILE LIABILITY <div><div><div><div>X</div></div>ANY AUTO</div><div><div><div></div></div>ALL OWNED AUTOS</div><div><div><div></div></div>SCHEDULED AUTOS</div><div><div><div></div></div>HIRED AUTOS</div><div><div><div></div></div>NON-OWNED AUTOS</div><div><div><div>X</div></div>Comp/Coll Ded - \$1,000</div></div>					

 4692N816 | 05/01/2009 | 05/01/2010 | COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) | \$ 1,000,000 \$ \$ \$ || | | GARAGE LIABILITY ANY AUTO |
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
Palm Beach County is included as additional insured on the general liability policy referenced herein, as required by written contract subject to policy terms, conditions, and exclusions.

CERTIFICATE HOLDER

ACORD 25 (2001/08)


CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Page 1 of 1

Palm Beach County BOCC
Property & Real Estate Management
Att: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605



FIRST AMENDMENT TO LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**FLORAL ACRES, L.L.C.,
a Florida limited liability company**

G:\Property Mgmt Section\In Lease\Floral Acres 38 Acre Lease\First Amendment\First Amend.003.rev.HF app.010510.clean.sks.rev.final.doc

ATT.#7

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT, is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County", and Floral Acres, L.L.C., a Florida limited liability company, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant entered into a Lease Agreement dated June 4, 2002, (R2002-0889) (the "Lease") with County pursuant to which Tenant leased from County approximately 37.58 acres of farm land as defined in the Lease; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent and revise the method for adjusting rent; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 2.01 of the Lease is modified to provide that effective July 22, 2009, the annual net Rent for the Premises was reduced to \$37,580.00. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment.
3. Section 2.02 of the Lease is deleted in its entirety and replaced with the following:

Section 2.02 Rent Adjustments.

Either County or Tenant may determine prior to January 1 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate should be adjusted. In the event either party determines that an appraisal is warranted, County shall obtain, at the expense of the party requesting an appraisal and in accordance with the requirements set forth herein, an appraisal of the then

current fair market value rental for the Premises. In the event the appraisal indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the January 1 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

4. Section 13.02(a) is amended, as to the Property and Real Estate Management Division address, to:

Property & Real Estate Management Division
Attention: Director
2633 Vista Parkway
West Palm Beach, FL 33411-5605

And, as to the Palm Beach Soil & Water Conservation District, to:

Palm Beach Soil & Water Conservation District
Attention: Administrator
420 S. State Road 7, Suite 162
Royal Palm Beach, FL 33414

5. Except as modified by this First Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this First Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESS:

TENANT

FLORAL ACRES, L.L.C.
a Florida limited liability company

Sign

Print Name

By: _____
Name: _____
Title: _____

Sign

Print Name

ACORD <small>TM</small> CERTIFICATE OF LIABILITY INSURANCE		DATE 12/21/2009
PRODUCER Edward Lamb & Associates, Inc. P.O. Drawer 1559 146 E. Stuart Ave. Lake Wales FL 33859-1559		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.
		INSURERS AFFORDING COVERAGE
INSURED Floral Acres, Inc., G & R Trellis & Supply Co., Inc and Floral Acres, LLC P.O. Box 480519 Delray Beach, FL 33448		INSURER A: St Paul Travelers Insurance INSURER B: FCCI Insurance Company INSURER C: INSURER D: INSURER E:

COVERAGES

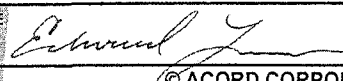
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	700-734K803A-COF-09	07/01/2009	07/01/2010	EACH OCCURRENCE \$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire) \$50,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person) \$5,000
					PERSONAL & ADV INJURY \$1,000,000
					GENERAL AGGREGATE \$2,000,000
					PRODUCTS - COMPI/OP AGG \$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				
B	AUTOMOBILE LIABILITY	CA00111982	07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS				
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				
	** Hi-red & Non-Owned				
	Includes Trucks				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN EA ACC \$
					AUTO ONLY: AGG \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE				AGGREGATE \$
					\$
	<input type="checkbox"/> DEDUCTIBLE				\$
	<input type="checkbox"/> RETENTION \$				\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/>
					E.L. EACH ACCIDENT \$
					E.L. DISEASE - EA EMPLOYEE \$
					E.L. DISEASE - POLICY LIMIT \$
B	OTHER Inland Marine	FP00002282	07/01/2009	07/01/2010	Inland Marine \$570,296 Deductible \$1,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

Palm Beach County is named Additionally Insured on General Liability Policy - form CG0121185
The entity is also named as Loss payee for property located at 12440 South SR7, Boynton Beach, FL

Location: 52 Acres located at 10395 Acme Dairy Road, Boynton Beach, FL 33437 Palm Beach County
Endorsement #CG2011 is attached to General Liability Insurance Policy.

CERTIFICATE HOLDER	<input checked="" type="checkbox"/> ADDITIONAL INSURED; INSURER LETTER: _____	CANCELLATION
Palm Beach County BOCC, ATTN: Director Property & Real Estate Mgt 2633 Vista Parkway West Palm Beach, FL 33411-5605		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL <u>30</u> DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.
		AUTHORIZED REPRESENTATIVE  <AKC>

FIRST AMENDMENT TO AGRICULTURAL LEASE AGREEMENT

between

**PALM BEACH COUNTY,
a political subdivision of the State of Florida**

and

**K AND M NURSERY, INC.
a Florida corporation**

FIRST AMENDMENT TO AGRICULTURAL LEASE AGREEMENT

THIS FIRST AMENDMENT, is made and entered into this ____ day of _____, 20____, by and between Palm Beach County, a political subdivision of the State of Florida, hereinafter referred to as "County" or "Landlord", and K and M Nursery, Inc., a Florida corporation, hereinafter referred to as "Tenant".

WITNESSETH:

WHEREAS, Tenant entered into an Agricultural Lease Agreement dated April 25, 2008, with West Boynton Farms, Inc., (the "Lease"), pursuant to which Tenant leased from West Boynton Farms, Inc., approximately 18.50 acres of farm land as defined in the Lease; and

WHEREAS, pursuant to the terms of a Settlement Agreement approved by the Board of County Commissioners on June 3, 2008 (R2008-1009), West Boynton Farms sold the leased property and assigned the lease to County as set forth in the Assignment of Agricultural Lease Agreement between West Boynton Farms and County, dated June 13, 2008; and

WHEREAS, County and Tenant wish to amend the Lease to retroactively reduce the rent and revise the method for adjusting rent; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, and various other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The foregoing recitals are true and correct and are incorporated herein by reference. All defined terms as used herein shall have the same meaning and effect as in the Lease.
2. Section 3 of the Lease is modified to provide that effective July 22, 2009, the annual Rent for the Property was reduced to \$18,500.00. Rent shall be prorated as of July 22, 2009, and any overpayment due Tenant shall be credited toward Tenant's next rent payment.

Either County or Tenant may determine prior to May 1 of each year whether an appraisal of the Premises is warranted to determine whether the annual rental rate should be adjusted. In the event either party determines that an appraisal is warranted, County shall obtain, at the expense of the party requesting the appraisal and in accordance with the requirements set forth herein, an appraisal of the then current fair market value rental for the Premises. In the event the appraisal

indicates that the rental rate for the Premises should be adjusted, County shall provide a copy of the appraisal to Tenant not less than ninety (90) days prior to the May 1 when the rent adjustment would take effect. In the event the non-requesting party does not believe the first appraisal accurately reflects the then existing fair market rental for the Premises, that party shall so notify the requesting party and request that a second appraisal be obtained. County shall obtain a second appraisal at the expense of the party requesting the second appraisal and in accordance with the requirements set forth herein. In the event that the two appraisals vary by less than 15%, the two appraisals shall be averaged and the result shall be used as the new Rent payable. In the event that the two appraisals vary by more than 15%, the two appraisers shall select a third appraiser who shall perform an appraisal of the fair market rental for the Premises. The cost of the third appraisal shall be borne equally by the parties. The Rent will then be established by discarding the high and low values, and utilizing the middle appraisal value as the fair market rent.

The new Rent established by the foregoing process shall remain in effect until Tenant or County determines that rent should be reappraised.

3. Section 27, Notices, is modified to replace the address for Landlord with the following:

If to Landlord:

Property and Real Estate Management Division

Attention: Director

2633 Vista Parkway

West Palm Beach, Florida 33411-5605

Telephone 561-233-0217

Fax 561-233-0210

with a copy to:

Palm Beach County Attorney's Office

Attention: Real Estate

301 North Olive Avenue, Suite 601

West Palm Beach, Florida 33401

Telephone 561-355-2225

Fax 561-355-4398

and

Palm Beach Soil & Water Conservation District

Attention: Administrator

420 S. State Road 7, Suite 162

Royal Palm Beach, FL 33414

4. Except as modified by this First Amendment, the Lease remains unmodified and in full force and effect in accordance with the terms thereof.

IN WITNESS WHEREOF, County and Tenant have executed this First Amendment, or have caused the same to be executed by their duly authorized representatives, as of the day and year first above written.

ATTEST:

COUNTY

SHARON R. BOCK
CLERK & COMPTROLLER

PALM BEACH COUNTY, a political
subdivision of the State of Florida

By: _____
Deputy Clerk

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

WITNESS:

TENANT

K AND M NURSERY, INC.
a Florida corporation

Sign

By: _____

Name: _____

Print Name

Title: _____

Sign

Print Name

(SEAL)

CERTIFICATE OF INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES LISTED BELOW.

FLORIDA FARM BUREAU INSURANCE COMPANIES P.O. BOX 147030 GAINESVILLE, FLORIDA 32614-7030		COMPANIES AFFORDING COVERAGES: Company Letter <u>A</u> : Florida Farm Bureau General Ins. Co. Company Letter <u>B</u> : Florida Farm Bureau Casualty Ins. Co.
NAME AND ADDRESS OF INSURED: K & M NURSERY INC & TRISTAR NURSERY 8300 93RD LN S BOYNTON BEACH, FL 33472-4402		

The policies of insurance listed below have been issued to the insured named above and are in force at this time. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

CO. LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS	
A	GENERAL LIABILITY: <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY (OCCURRENCE FORM) <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROTECTIVE <input type="checkbox"/> FARMER'S PERSONAL LIABILITY	CPP 9517132 10	09/01/2009	09/01/2010	GENERAL AGGREGATE	\$ 2,000
					PRODUCTS-COMPLETED OPERATIONS AGGREGATE	\$ 2,000
					PERSONAL & ADVERTISING INJURY	\$ 1,000
					EACH OCCURRENCE	\$ 1,000
					FIRE DAMAGE (Any one fire)	\$ 50
					MEDICAL EXPENSE (Any one person)	\$ 5
	AUTOMOBILE LIABILITY: <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		RECEIVED SEP 17 2009		COMBINED SINGLE LIMIT	\$
					BODILY INJURY (Per Person)	\$
					BODILY INJURY (Per Accident)	\$
					PROPERTY DAMAGE	\$
	EXCESS LIABILITY: <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE	AGGREGATE
					\$	\$
	EMPLOYERS LIABILITY: <input type="checkbox"/> FARM EMPLOYER'S LIABILITY <input type="checkbox"/> FARM EMPLOYEE'S MEDICAL					\$ (Each Occurrence)
						\$ (Each Employee)
	OTHER:					\$

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES:
SEE FORM CG 20 11 11 85

CANCELLATION: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 10 days written notice to the below named certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind upon the company.

NAME AND ADDRESS OF CERTIFICATE HOLDER: PALM BEACH COUNTY BOCC PROPERTY & REAL ESTATE MANAGEMENT ATTN DIRECTOR 2633 VISTA PKWY WEST PALM BEACH FL 33411-5613

County Code 50-0 Date Issued 09/11/2009
 Serviced by PALM BEACH County Farm Bureau
ROBERT L. DENTZ, INC. / CLU, CHFC
 AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED — MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

SCHEDULE

1. Designation of Premises (Part Leased to You): 8000 SOUTH 116TH AVE
2. Name of Person or Organization (Additional Insured): PALM BEACH COUNTY BOCC
PROPERTY & REAL ESTATE MGMT
3. Additional Premium: \$ 18

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence " which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

RESOLUTION NO. 2010-_____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND BEDNER FARM, INC.; AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Bedner Farm, Inc., a Florida corporation, ("Tenant"), pursuant to a lease agreement dated June 26, 2001 (R2001-0582), as amended, leases approximately 245.84 acres from Palm Beach County in the Ag Reserve for the purpose of agricultural production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Bedner Farm, Inc., will preserve and promote agriculture production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve agricultural production on the property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated June 26, 2001(R2001-0582) with Bedner Farm Inc., a Florida corporation, by entering into the Second Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the approximately 245.84 acres identified in the Second Amendment at a reduced rental rate of \$500 (Five Hundred Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

RESOLUTION NO. 2010-_____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND BOWMAN GROWERS, INC.; AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Bowman Growers, Inc., a Florida corporation, ("Tenant"), pursuant to a lease agreement dated April 3, 2001 (R2001-519), as amended, leases 233.96 acres from Palm Beach County in the Ag Reserve for the purpose of agricultural production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Bowman Growers, Inc., will preserve and promote agriculture production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve agricultural production on the property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated April 3, 2001 (R2001-519) with Bowman Growers, Inc., a Florida corporation, by entering into the Second Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the 233.96 acres identified in the Second Amendment at a reduced rental rate of \$500 (Five Hundred Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

RESOLUTION NO. 2010-_____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND BOWMAN GROWERS, INC.; AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Bowman Growers, Inc., a Florida corporation, ("Tenant"), pursuant to a lease agreement dated April 3, 2001 (R2001-517), as amended, leases 297.496 acres from Palm Beach County in the Ag Reserve for the purpose of agricultural production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Bowman Growers, Inc., will preserve and promote agriculture production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve agricultural production on the property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated April 3, 2001 (R2001-517) with Bowman Growers, Inc., a Florida corporation, by entering into the Second Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the 297.496 acres identified in the Second Amendment at a reduced rental rate of \$500 (Five Hundred Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

RESOLUTION NO. 2010-_____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND BOWMAN GROWERS, INC.; AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, Bowman Growers, Inc., a Florida corporation, ("Tenant"), pursuant to a lease agreement dated April 3, 2001 (R2001-518), as amended, leases 311.45 acres from Palm Beach County in the Ag Reserve for the purpose of agricultural production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Bowman Growers, Inc., will preserve and promote agriculture production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve agricultural production on the property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated April 3, 2001 (R2001-518) with Bowman Growers, Inc., a Florida corporation, by entering into the Second Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the 311.45 acres identified in the Second Amendment at a reduced rental rate of \$500 (Five Hundred Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

RESOLUTION NO. 2010-_____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT AND EXTENDING THE TERM OF THE LEASE BETWEEN
THE COUNTY, SOUTH FLORIDA WATER MANAGEMENT
DISTRICT AND PERO FAMILY FARMS, LLC; AND PROVIDING
FOR AN EFFECTIVE DATE.**

WHEREAS, Pero Family Farms, LLC, a Florida limited liability company f/k/a Pero Family Farms, Inc., a Florida corporation, ("Tenant"), pursuant to a lease dated August 27, 2002 (R2002-1489), leases 570.77 acres from Palm Beach County and the South Florida Water Management District (SFWMD), as co-owners, in the Ag Reserve for the purpose of agricultural production;

WHEREAS, Tenant has made application to the Board of County Commissioners of Palm Beach County requesting that Palm Beach County and SFWMD extend the term of the Lease for a period of three (3) years until May 31, 2012;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County and SFWMD have agreed to reduce the rent on the basis of an appraisal obtained by SFWMD;

WHEREAS, County, SFWMD, and Pero Farms, Inc., entered into a Third Amendment to Lease dated February 3, 2009, (R2009-0249) in order to extend the term of the Lease through May 31, 2012, and to retroactively establish the rent from January 1, 2009, through the extended term;

WHEREAS, prior to the execution of the Third Amendment to Lease, Pero Family Farms, Inc., had converted its corporate status to that of a limited liability company and must therefore re-execute the Third Amendment as Pero Family Farms, LLC;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Pero Family Farms, LLC, will preserve and promote agriculture production in the Ag Reserve and is otherwise in the best interests of the County.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Extend the Term of the Lease and Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated August 27, 2002 (R2002-1489) with Pero Family Farms, LLC, a Florida limited liability company, retroactively, by entering into the Third Amendment to Lease attached hereto and incorporated herein by reference, in order to lease the 570.77 acres identified in the Third Amendment at a reduced rental rate of \$500 (Five Hundred Dollars) per acre effective January 1, 2009, for the use identified above, for a term extending until May 31, 2012.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

- COMMISSIONER BURT AARONSON, CHAIR
- COMMISSIONER KAREN T. MARCUS, VICE CHAIR
- COMMISSIONER JOHN F. KOONS
- COMMISSIONER SHELLEY VANA
- COMMISSIONER STEVEN L. ABRAMS
- COMMISSIONER JESS R. SANTAMARIA
- COMMISSIONER PRISCILLA A. TAYLOR

The Chairman thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

RESOLUTION NO. 2010-_____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND PERO FAMILY FARMS, LLC ; AND
PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Pero Family Farms, LLC, a Florida limited liability company (f/k/a Pero Family Farms, Inc.), ("Tenant"), pursuant to a lease agreement dated September 11, 2001 (R2001-1541), leases 272 acres from Palm Beach County in the Ag Reserve for the purpose of agricultural production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Pero Family Farms, LLC, will preserve and promote agriculture production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve agricultural production on the property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated September 11, 2001 (R2001-1541) with Pero Family Farms, LLC, a Florida limited liability company, by entering into the First Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the 272 acres identified in the First Amendment at a reduced rental rate of \$500 (Five Hundred Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

RESOLUTION NO. 2010-_____

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND FLORAL ACRES, L.L.C.; AND
PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Floral Acres, L.L.C., a Florida limited liability company, ("Tenant"), pursuant to a lease agreement dated June 4, 2002 (R2002-0889), leases 37.58 acres from Palm Beach County in the Ag Reserve for the purpose of nursery production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by Floral Acres, L.L.C., will preserve and promote nursery production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve nursery production on the property.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease agreement dated June 4, 2002 (R2002-0889) with Floral Acres, L.L.C., a Florida limited liability company, by entering into the First Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the 37.58 acres identified in the First Amendment at a reduced rental rate of \$1000 (One Thousand Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

G:\Property Mgmt Section\In Lease\Floral Acres 38 Acre Lease\First Amendment\Resolution.004.HF app.010510.doc

RESOLUTION NO. 2010-_____

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF
PALM BEACH COUNTY, FLORIDA, AUTHORIZING REDUCTION
OF RENT DUE PURSUANT TO THE LEASE AGREEMENT
BETWEEN THE COUNTY AND K AND M NURSERY, INC.; AND
PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, pursuant to a lease assigned to County on June 13, 2008, as part of the Settlement Agreement dated June 3, 2008, with West Boynton Farms (R2008-1009), K and M Nursery, Inc., a Florida corporation, ("Tenant") leases 18.50 acres from Palm Beach County in the Ag Reserve for the purpose of nursery production;

WHEREAS, Tenant has requested a rent reduction due to current adverse economic conditions and County has agreed to reduce the rent on the basis of recent appraisal data;

WHEREAS, the Board of County Commissioners of Palm Beach County hereby finds: that the continued use of the property by K and M Nursery, Inc., will preserve and promote nursery production in the Ag Reserve and it is therefore in the best interests of the County to reduce the rent in order to preserve nursery production on the property.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY
COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

Section 1. Recitals

The foregoing recitals are true and correct and incorporated herein by reference.

Section 2. Authorization to Reduce Rent

The Board of County Commissioners of Palm Beach County shall amend its lease with K and M Nursery, Inc., a Florida corporation, by entering into the First Amendment to Lease Agreement attached hereto and incorporated herein by reference, in order to lease the 18.50 acres identified in the First Amendment at a reduced rental rate of \$1000 (One Thousand Dollars) per acre effective July 22, 2009, for the use identified above.

Section 3. Conflict with Federal or State Law or County Charter

Any statutory or Charter provisions in conflict with this Resolution shall prevail.

Section 4. Effective Date

The provisions of this Resolution shall be effective immediately upon adoption hereof.

The foregoing resolution was offered by Commissioner _____ who moved its adoption. The Motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

COMMISSIONER BURT AARONSON, CHAIR
COMMISSIONER KAREN T. MARCUS, VICE CHAIR
COMMISSIONER JOHN F. KOONS
COMMISSIONER SHELLEY VANA
COMMISSIONER STEVEN L. ABRAMS
COMMISSIONER JESS R. SANTAMARIA
COMMISSIONER PRISCILLA A. TAYLOR

The Chair thereupon declared the resolution duly passed and adopted this _____ day of _____, 2010.

PALM BEACH COUNTY, a
political subdivision of the State of Florida
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK
CLERK & COMPTROLLER

By: _____
Deputy Clerk

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: _____
Assistant County Attorney

By: _____
Department Director

G 1A 6-0

R-2009-0249

I. EXECUTIVE BRIEF

Continued on Page 3

Date _____

ATT.# 10

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$97,809</u>	<u>(\$291,806.16)</u>	<u>(\$300,560.35)</u>	<u>(\$205,627.86)</u>	<u>0</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$97,809</u>	<u>(\$291,806.16)</u>	<u>(\$300,560.35)</u>	<u>(\$205,627.86)</u>	<u>0</u>

ADDITIONAL FTE
POSITIONS (Cumulative)

Is Item Included in Current Budget: Yes _____ No x

Budget Account No: Fund 1222 Dept 800 Unit 8011 Object 6225
Program _____

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

Rent was budgeted for 2009 only through expiration on May 31, 2009. However, Ag Reserve program revenues are utilized for maintenance of Environmentally Sensitive lands. The reduction in revenue will decrease future funding for ESL maintenance.

Rent represents the County's 39.4% share with a 3% annual increase.

C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

Jim Davis 1-30-09
OFMB
NO 1/30/09

Jim J. Jacobson 1/30/09
Contract Development and Control
At the time of OAC's review
the Amendment was not
executed.

B. Legal Sufficiency:

K. Jal 2/2/09
Assistant County Attorney
Amendment was not executed at
time of CAO review.

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Background and Policy Issues, continued:

Pero owned roughly 34 acres adjacent to the McMurrain property upon which they had constructed a packing plant and hydroponic farming operation. There were significant concerns regarding the potential impact of the SFWMD's reservoir project upon Pero's facilities. Essentially, the above-ground reservoir could cause the water elevations of surrounding properties to rise due to seepage. Negotiations ensued in an effort to design a system to control seepage and its effects on the Pero property.

After two years of further environmental testing showing that pesticide levels were acceptable and successful conclusion of negotiations with Pero regarding the reservoir project that resulted in 53 acres being carved out for expansion of Pero's hydroponic facilities, the County sold the SFWMD a 60.6% interest in 570.77 acres of the McMurrain property in August of 2002 (R-2002-1489 and R-2002-1490). As part of the sale to SFWMD, the parties amended and assigned the Lease with Pero to transfer managerial control of the Lease to SFWMD and to provide for increases in rent to Fair Market Value as determined by appraisal. In December of 2002, the County entered into an agreement to sell the retained 53 acres to Pero and that transaction closed on March of 2006.

In July of 2005, the SFWMD entered into Amendment No. 1 to the Lease which increased the rent to the then Fair Market Value of \$1,200/acre and extended to term of the Lease to May 31, 2006. The Second Amendment to the Lease was approved in May of 2006 (R-2006-0904) which extended the term until May 31, 2009, and increased the rent to \$1,236/acre with 3% annual increases. The Second Amendment facilitated refinancing of the bonds issued to finance the Ag Reserve Program.

In preparation for the expiration of the Lease with Pero in May of this year, the SFWMD obtained an appraisal of the Fair Market Rent for agricultural use of the property. The appraisal reflects that the demand for agricultural land has diminished and that rents have dropped substantially to \$500/net acre. Several factors have contributed to this reduction. First, the farmers' costs for fertilizers and fuel have increased by roughly 30%. The volatility in prices has reduced the level of risk farmers are willing to take and some have left the business. The remaining farmers are not willing to expand their operations unless the price is right. Second, in this economic downturn, property owners are willing to take a rent reduction in order to preserve their agricultural exemption. The SFWMD, as the managing entity under this Lease, supports a reduction in the rent to \$500/gross acre.

Normally, upon expiration of the term of a lease, the County conducts a competitive process to allow all interested parties an opportunity to lease the property. This competitive process also ensures that the County receives fair compensation. The County's ordinance does allow for extending the term or otherwise modifying the terms of an existing lease upon a finding by the Board that such extension or modification is in the best interests of the County. Staff has avoided utilizing this alternative process except in those instances where there is substantial justification.

In this case, Pero has been in possession of the property for in excess of 10 years. Pero has a substantial investment in the property and owns adjacent property used in support of their agricultural operations on this property. The purpose of the Agricultural Preservation and Conservation Bond program was to preserve agricultural in the Ag Reserve. The Board has consistently given preference to existing farmers in selecting proposals to lease ag land, with the notable exception that Pero displaced Dubois on the York Farm lease. In addition, the SFWMD only wants to lease the property for 3 years as they anticipate needing the property for the reservoir project thereafter. Arguably, SFWMD, as managing agent, could unilaterally enter into this Amendment, as was done with Amendment No. 1. Finally, the reduction in rent is based upon an appraisal obtained by the SFWMD. With the use of gross acreage rather than net acreage as the means for calculating rent, the rental rate is higher than Fair Market Value as determined by the appraisal. Therefore, Staff believes that there is ample justification for a further extension of this Lease at a rental rate of \$500/gross acre and that such extension and modification is in the best interest of the County.

BA / V 7-0

R.2009-1214

☐ **Consent**

[X] Regular

[] Ordinance

☐ Public Hearing

Department: Facilities Development & Operations

I. EXECUTIVE BRIEF

Motion and Title: **Staff:**

A) requests Board direction: regarding a request for rent reductions by our tenants leasing agricultural property in the Ag Reserve; and


B) **recommends a motion to approve:** the termination of the Lease with Mecca Farms, Inc., of the 215-acre Amestoy Farm effective as of September 1, 2007.


Summary: The farmers and nurserymen who lease property from the County are requesting reductions in the rent they pay the County. The Board requested that this matter be brought back for further consideration. While it is difficult to quantify the net financial impact of changing market conditions upon the farmers, costs have clearly gone up by roughly 30%, row crop revenues appear to have remained relatively stable and nursery revenues have decreased substantially. Recent appraisal data indicates that rents for row crop land have decreased to \$500/net acre (\$350/gross acre). In February, the Board approved a reduction in rent under the Pero/McMurrain Lease to \$500/gross acre. Bowman and Bedner are asking for a 30% reduction in rent under their leases to \$450/acre. Pero is seeking a reduction to \$500/gross acre for the York Farm Lease. The nursery operators, Floral Acres and K&M, are seeking reductions of 50%. Currently, Floral Acres pays \$1,318/acre and K&M pays \$1,800/acre. Nurseries have been hit hard by the economic downturn and reduction in development. Unfortunately, there is not much specific data upon which to base a decision on rents other than the recent appraisal of row crop land rents, which in the case of Pero represented a 62% reduction. The farmers have not shared detailed information on their operating performance, but Staff has reviewed summary data showing that their profits have decreased substantially, with the nurseries actually operating at a loss. Options available to the Board are to cancel and rebid all Ag Leases, adopt a new rental rate for all Ag Leases, or adopt the rates requested by the farmers. Staff would recommend that if the Board is inclined to support a rent reduction without rebidding, that a uniform rate of \$500/gross acre for row crops and \$1,000/acre for nurseries be established, and the rents be revisited every 2-3 years, such that in the event market conditions improve, the rents will be increased. Rents from the Leases are allocated to maintenance of Environmentally Sensitive Lands. The total reduction in annual revenue proposed by the farmers would be \$1,369,426.

(continued on page 3)

Attachments:

1. Location Maps (4)
2. Rent Schedule
3. February 3, 2009 Agenda Item approving Pero rent reduction
4. February 20, 2009 memorandum to the Board regarding Ag Rents

Recommended By:  7-8-09
Department Director Date

Approved By:  7-13-09
County Administrator Date

ATT. # 11

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes _____ No _____

Budget Account No: Fund _____ Dept _____ Unit _____ Object _____
Program _____

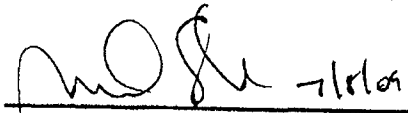
B. Recommended Sources of Funds/Summary of Fiscal Impact:

✓ Revenues from the Ag Reserve Leases are allocated to Maintenance of Environmentally Sensitive Lands. If the Board decides to reduce the rents to the levels requested by the farmers/nurserymen, this will result in a revenue reduction of \$1,369,426 per year.

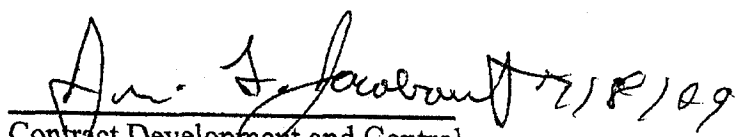
C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:




OFMB
7/1/09
CN 7/1/09
SN 7/6/09



Contract Development and Control
6/26/09 7/8/09

B. Legal Sufficiency:



Assistant County Attorney
7/10/09

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.

Summary – continued:

Mecca Farms is asking to be let out of their Lease of the 215-acre Amestoy property. This Lease runs through 2011 and the rent was \$1,723/acre. Shortly after entering into the Lease in 2006, Mecca Farms attempted to obtain permits for water use and drainage, but due to recent changes in regulations, discovered that they would be unable to obtain permits for drainage without a total redesign of the drainage system. In August of 2007, Mecca Farms notified the County that they would be unable to obtain required permits and stopped paying rent. Staff supports Mecca Farms' request to be released from the Lease effective as of September 1, 2007, in that it will enable the County to lease the property to another farmer, although it is likely that the rent will be much lower. (PREM) District 5/Countywide (HJF)

Background and Policy Issues: Each of the Leases is discussed in detail below.

Bowman

This 938-acre property was acquired in 2001. The purchase price was 18.89% below appraised value. A condition of the transaction was that the property be leased to Bowman Growers for 11 years (2013) at \$550/acre, with increases based upon appraisals, but not to exceed increases in the CPI. Rent is currently \$641/acre.

In 2007, the Lease was amended to provide Bowman Growers 12 additional 1-year options to extend the term of the lease through 2023, with rent being adjusted in 2013 and every 3-5 years thereafter to the then current fair market value as determined by appraisal. This extension was negotiated in exchange for Bowman Growers agreeing to release 40 acres of the property to SWA for a transfer facility. Bowman Growers received \$430,800 (\$1,795/acre/year) from SWA as compensation for the loss of the ability to farm the 40 acres for the remaining 6 years under the lease.

Bedner

This 261-acre property was acquired in 2001 for 7.5% below appraised value. A condition of the transaction was that the property be leased back to the Bedners for 10 years (2013) at \$550/acre/year, with increases based upon appraisals but not to exceed increases in the CPI. Rent is currently \$659/acre.

In 2007, the Lease was amended to grant the Bedners 12 additional options to extend the term through 2023, with rent being adjusted in 2011 and every 3-5 years thereafter to the then current fair market value.

Pero/McMurrain

The County initially took title to the property in 2000 subject to a lease with Pero. The Lease was extended in 2005 and the rent was increased to the then current market rate of \$1,200/acre. Rent was subsequently increased to \$1,311, until in February of this year it was reduced to \$500/acre based upon an appraisal and the term was extended thru 2012.

Pero/York

The County acquired this property in October 2000. At that time, the property was leased to DuBois Farms for \$216/acre. When the Lease expired in May 30, 2001, the County issued an RFP to lease the property for agricultural production. Pero submitted the winning proposal to lease the property for \$1,205/acre. Rent is currently \$1,481/acre.

Floral Acres

The County acquired this 37-acre parcel as part of its acquisition of the York Farm. An RFP was issued in May 2001 to lease the property for nursery use. Floral Acres submitted the winning proposal to lease the property for \$1,117/acre. Rent is currently \$1,318/acre. It should be noted that the property has a large lake which reduces the amount of useable land. Floral Acres grows potted plants such as poinsettias and liriop.

K&M

The County acquired this property in June 2008 from West Boynton Farms. At that time, the property was subject to the lease with K&M. The rent is currently \$1,800/acre. K&M grows landscape plants such as palm trees and container plants such as annuals and perennials.

Mecca/Amestoy

The County acquired this 215-acre property in June 2004, subject to a lease with Mecca Farms. The County issued an RFP in June 2005, and Mecca Farms submitted the winning proposal to lease the property for \$1,723/acre. The Lease did not contain any contingencies for obtaining permits as receipt of the revenue was required as part of the bond restructuring. At the time the RFP was issued, new regulations were being drafted that were expected to restrict drainage discharges into the Arthur R. Marshal Wildlife Refuge after 2014. This property had historically discharged into the Wildlife Refuge and all proposers were put on notice of this issue. The regulations as adopted immediately prohibited discharges into the Wildlife Refuge and did not allow a phasing out of discharges over time as expected by the Meccas. As a result, the Meccas were only able to farm for one year. The property slopes from the east to the Wildlife Refuge to the west. In addition, when State Road 7/441 was widened, the culverts under the road were set at the wrong elevation. In order to implement an adequate drainage system, several additional pumps would need to be installed at an estimated cost of \$250-\$350,000, or the entire property would need to be regraded. At the rent Mecca was paying, they could not bear this cost.

Staff spent substantial time exploring permitting options and working through legal issues associated with Mecca's request to be let out of their Lease obligations. Staff agrees that the only viable option for providing adequate drainage for farming operations is to regrade the property. The SFWMD will not issue permits for any drainage discharges into the Wildlife Refuge.

Mecca argues that they should not be required to pay rent for property they cannot farm. They also argue that the new regulations immediately prohibiting discharges into the Wildlife Refuge was a material change that could not reasonably be foreseen. As such, there is a dispute as to whether rent is due. According to an opinion of the Attorney General's Office, the County cannot forgive a contractual obligation unless there is a dispute as to whether the contractual obligation is valid.

From a business standpoint, Staff believes that the purpose of buying the property, preserving agricultural production in the County, is best served by settling the dispute, terminating the Lease with Mecca Farms and leasing the property to another farmer. Staff must point out that any new farmer will most likely propose to pay under market rent due to the drainage improvements which will be required to meet the new regulations.

Mecca Farms did not make the rent payment due in June of 2007. Mecca has agreed to pay the prorated rent for June, July and August of 2007 (through the effective date of termination).