

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(29,009.96)</u>	<u>(\$116,910.18)</u>	<u>(\$120,417.48)</u>	<u>(\$124,029.99)</u>	<u>(\$127,750.92)</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(29,009.96)</u>	<u>(\$116,910.18)</u>	<u>(\$120,417.48)</u>	<u>(\$124,029.99)</u>	<u>(\$127,750.92)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget: Yes No _____

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

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

County receives 39.4% of the rent. Annual increases are based on CPI/ACI, the figures above assumes 3% per year increases.

C. Departmental Fiscal Review: _____ *5-29-13*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

OFMB *[Signature]* 6/3/2013
cc 6/3 99 [unclear] 5/31

Contract Development and Control *[Signature]* 6/6/13
6-6-13 [unclear]

B. Legal Sufficiency:

[Signature] 6/7/13
Assistant County Attorney

C. Other Department Review:

Department Director

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

Background and Policy Issues (cont.): The 53 acres was sold subject to a deed restriction limiting use to hydroponic facilities. In July of 2012, the deed restriction was modified to allow for row crop farming and processing of agricultural products.

On August 27, 2002 (R2002-1489), the Board approved a Partial Assignment, Bifurcation and Amendment of the lease between Palm Beach County and Pero that resulted in SFWMD being made the managing party of the lease. Since SFWMD became a co-owner with the County in 2002, the previous lease was amended four times: (i) SFWMD's Amendment No. 1 dated July 26, 2005, extended the lease term to May 31, 2006, and increased the rent to \$1,200/acre; (ii) a Second Amendment dated May 16, 2006 (R2006-0904), extended the term to May 31, 2009, increased the rent to \$1,236/acre with 3% annual increases and facilitated refinancing of the bonds issued to finance the Ag Reserve Program; (iii) a Third Amendment dated January 12, 2010 (R2010-0087), voided and replaced a previous Third Amendment the Board approved on February 3, 2009 (R2009-0904), extended the term until May 31, 2012, reduced the rent to \$500/gross acre on the entire 570 acre property, with 3% annual increases, required submission of annual crop yield reports, and acknowledged a conversion from corporate status to that of a limited liability corporation; and (iv) a Fourth Amendment dated June 5, 2012 (R2012-0857), extended the term for one year from June 1, 2012, until May 31, 2013 and increased the rent to \$600/farmable acre \$516/gross acre. On April 18, 2012, SFWMD obtained an appraisal of the fair market rental value for agricultural use of the property. The appraisal reflected the then current fair market rental value as \$600/farmable acre. Basing the rent calculations on farmable acreage (491 acres) results in a rent of \$294,517.32 (\$516/gross acre).

On March 25, 2013, SFWMD issued an RFB to lease the property for a term of 10 years for row crops. SFWMD established a minimum bid price of \$516 per acre, and allowed Pero a first right of refusal at 10% above the highest bid. The RFB was advertised in the Palm Beach Daily Review on March 25th, April 1st and April 8th.

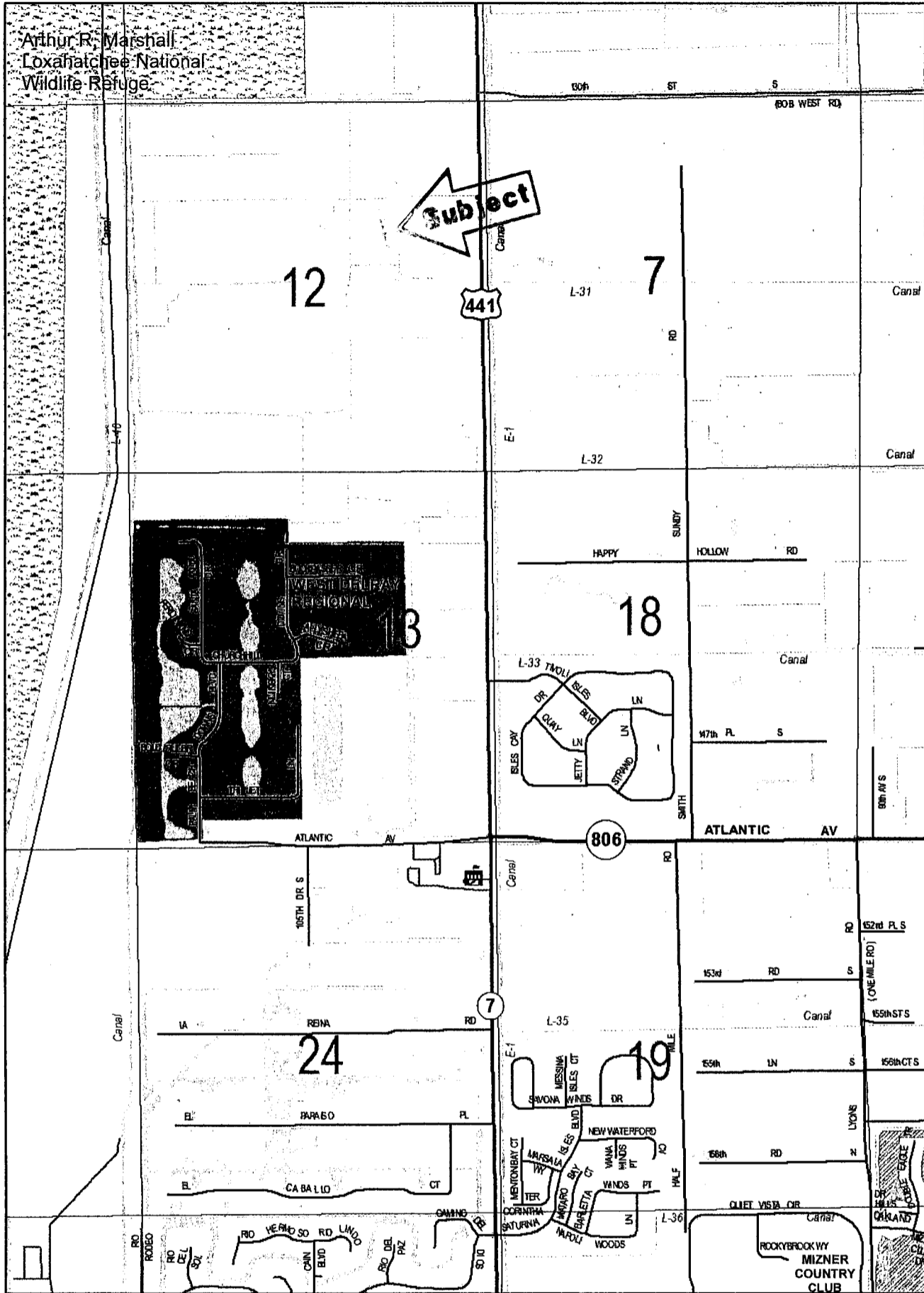
SFWMD received one bid in response to the RFB, which was by Pero. SFWMD approved the Lease agreement on May 9, 2013. The annual rent is unchanged at \$294,517.32 (\$600/farmable acre) of which the County receives (39.4%) \$116,039.82 (\$9,669.99/mo) subject to annual increases based on the CPI/ACI.

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. Pero has provided a Disclosure of Beneficial Interest identifying Peter Pero, IV having a 31% interest, and Frank Pero, Charles Pero and Angela Pero each having a 23% interest.

TWP 46

TWP 46

TWP 46



34

35

36

RNG 41

See pg 114

RNG 42

Page 107

LOCATION MAP





ORIGINAL

**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
LEASE**

THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT AND PALM BEACH COUNTY (hereinafter referred to as LESSOR) HEREBY ENTERS INTO THIS LEASE WITH: Name: PERO FAMILY FARMS, LLC Address: 14095 STATE ROAD 7 DELRAY BEACH, FLORIDA 33446 Lease Manager: Peter F. Pero, IV Telephone No: (561) 498-5771 Fax No: (561) 496- 4009 Hereinafter referred to as: LESSEE	This number must appear on all Invoices and Correspondence 4600002862
LEASE TITLE: LEASE FOR ROW CROP FARMING, PALM BEACH COUNTY, FLORIDA	
THE FOLLOWING EXHIBITS ARE ATTACHED HERETO AND MADE A PART OF THIS LEASE: Exhibit "A" - Special Provisions Exhibit "B" - General Terms and Conditions Exhibit "C" - Statement of Work Exhibit "D" - Payment Schedule Exhibit "E" - Not Applicable Exhibit "F" - Not Applicable Exhibit "G" - Not Applicable Exhibit "H" - Insurance Requirements Exhibit "I" - Performance Bond Exhibit "J" - Disclosure of Beneficial Interests Form Exhibit "K" - Not Applicable Exhibit "L" - Lease Security Exhibit "M" - Legal Descriptions/Site Map Exhibit "N" - Not Applicable	
LEASE AMOUNT: \$516.00 per acre, \$294,517.32 annually	LEASE TYPE: Revenue
LEASE TERM: Ten (10) Year	EFFECTIVE DATE: July 1, 2013
District Project Manager: Jude Muse Telephone No: (561) 924-5310 Fax No.: (561) 924-5114	District Sr. Contract Specialist: Linda Greer Phone: (561) 682-6396 Fax No.: (561) 681-5396
SUBMIT PAYMENTS AND NOTICES TO THE DISTRICT AT: Notices: South Florida Water Management District Attn: Linda Greer, MS6612 3301 Gun Club Road West Palm Beach, Florida 33406 <u>With a copy to:</u> Palm Beach County Attention: Director, Property & Real Estate Management Division Facilities Development & Operations Department 2633 Vista Parkway West Palm Beach, FL 33411-5605 <u>With a copy to:</u> Palm Beach County Attorney Attention: Real Estate Attorney 301 North Olive Avenue, Suite 601 West Palm Beach, Fl 33401-4791 Payments – South Florida Water Management District Treasury Department (MS 6233) P. O. Box 24680 3301 Gun Club Road West Palm Beach, FL 33416-4680	SUBMIT NOTICES TO LESSEE: PERO FAMILY FARMS, LLC 14095 STATE ROAD 7 DELRAY BEACH, FLORIDA 33446 <u>Attention:</u> Peter F. Pero, IV.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

IN WITNESS WHEREOF, the authorized representative hereby executes this LEASE on this date, and accepts all Terms and Conditions under which it is issued.

ATTEST:

COUNTY:

SHARON R. BOCK
CLERK & COMPTROLLER

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

By: _____
Deputy Clerk

By: _____
Steven L. Abrams, Mayor

WITNESS:

Witness Signature

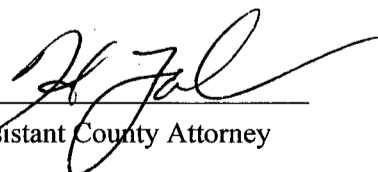
Print Witness Name

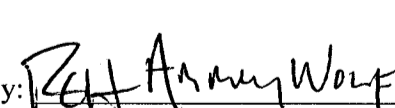
Witness Signature

Print Witness Name

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

APPROVED AS TO TERMS
AND CONDITIONS

By: 
Assistant County Attorney

By: 
Audrey Wolf, Director
Facilities Development & Operations



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

SOUTH FLORIDA WATER MANAGEMENT BY ITS GOVERNING BOARD

ATTEST:

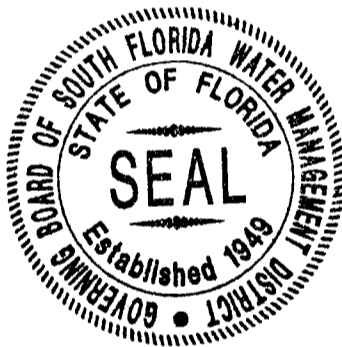
Jackie McGorty
PRINT: Jackie McGorty
ITS: District Clerk

BY: Dorothy A. Bradshaw
Dorothy A. Bradshaw, Procurement Bureau Chief

DATE: 5-16-13 *AM*

Witnesses:

Julie Collier
PRINT NAME: Julie Collier
Brenda Low
PRINT NAME: Brenda Low



SFWMD Procurement Approved:

By: [Signature]
Date: 5/2/13 *AM*

SFWMD Office Of Counsel Approved:

BY: [Signature]
Date: 5/3/13

STATE OF FLORIDA
COUNTY OF Palm Beach

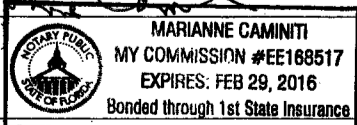
The foregoing instrument was acknowledged before me this 16th day of May in the year 2013

Dorothy A. Bradshaw of the South Florida Water Management District who is
Procurement Bureau Chief
(Name and Title of Position)

personally known to me or has produced _____ as identification, and who

did ~~did not~~ take an oath.

[Signature] Notary Public, Commission No. _____
(Signature)



Name of Notary typed, printed or stamped

My Commission expires: _____



**SOUTH FLORIDA WATER MANAGEMENT DISTRICT
LEASE**

IN WITNESS WHEREOF, the authorized representative hereby executes this LEASE on this date, and accepts all Terms and Conditions under which it is issued.

Witnesses:

LESSEE

Michele Spradlin

By: [Signature]

Print Name: MICHELE SPRADLIN

Date: 5/17/2013

[Signature]

Print Name: Donald Irish

STATE OF

COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 17 day of May in the year 2013,

by Angela Pero of the who is Pero Family Farms, LLC
Angela Pero, President
(Name and Title of Position)

personally known to me or has produced _____ as identification, and who

did (did not) take an oath.

Christine A. Palermo Notary Public, Commission No. _____
(Signature)

Name of Notary typed, printed or stamped

My Commission expires: _____

NOTARY PUBLIC-STATE OF FLORIDA
Christine A. Palermo
Commission #DD904437
Expires: AUG. 17, 2013
BONDED THRU ATLANTIC BONDING CO., INC.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

EXHIBIT "A" SPECIAL PROVISIONS

The purpose of this Exhibit "A" is to delineate any and all changes, deletions and/or additions to the Exhibit "B" General Terms & Conditions. In the event of any conflict between this Exhibit "A" and any other provision specified in this Contract, this Exhibit "A" shall take precedence.

1. Article 1.1 is hereby deleted and replaced as follows:

"The South Florida Water Management District (hereinafter referred interchangeably as **DISTRICT** or **LESSOR**) and Palm Beach County (collectively referred to as "**LESSOR**") hereby agrees to lease the Premises more fully described in Exhibit "M" attached hereto and made a part of this **LEASE** (hereinafter the Premises")."

2. Article 1.2 is hereby revised to add the following:

"**LESSEE** agrees that his activities on the Premises are for row crop farming only, and approved incidental uses which are directly related to farming of row crops. The **LESSEE** shall not engage in any business or other activity on the Premises not expressly authorized in writing by the **LESSOR**."

3. Article 2.1. is hereby revised to add the following:

"**DISTRICT** shall be responsible for forwarding **COUNTY'S** pro rata share of the annual Rent to **COUNTY** within thirty (30) days after **LESSEE** submits payment to the **DISTRICT**. Based on farmed acreage, the **COUNTY'S** pro rata share of the annual Rent shall be 39.40% of the total Rent."

4. Article 5.2 is hereby added as follows:

"**DISTRICT** and **COUNTY**, as **LESSOR**, agree that the **DISTRICT** shall provide for the management of the Premises in accordance with the Interlocal Agreement dated August 2002, and **LEASE** terms and conditions and any amendments or updates thereof, including its management of any subleases in favor of third parties for use of any portion of the Premises."

5. Article 9.1 is hereby revised to add the following:

"**LESSEE** shall conduct the approved agricultural activities in accordance with all state and federal regulations pertaining to the handling and BMP's of chemicals for crop protection."

6. Article 9.7 is hereby revised to add the following:

"**LESSEE** shall transfer, modify and comply with **DISTRICT'S** Environmental Resource (previously Surface Water Management (SWM), Permit (ERP), Water Use (WU), Right-of Way (ROW) permits, and any other federal, state or local permits necessary, prior to the construction of a new drainage/irrigation system.

7. Article 11.9 is hereby revised to add the following:



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

"Any improvements made to the property will become the property of the **LESSOR** at the end of the **LEASE** term, except for motors, pumps, platforms, gearboxes, buildings and fuel tanks provided by the **LESSEE**.

LESSEE shall not construct fences or other structures on the Premises without prior written approval of the **LESSOR**. Any fence or structure erected by the **LESSEE** shall become the property of the **LESSOR**."

8. Article 11.13 is hereby deleted and replaced as follows:

"The **LESSEE** shall furnish all necessary management, personnel, materials, supplies, parts, tools, equipment, and vehicles required for the business conducted on the Premises in strict accordance with the terms and conditions of this **LEASE** and all general, special, and technical provisions, drawings, attachments, and exhibits contained herein or incorporated by reference."

9. Article 11.15 is hereby deleted and replaced as follows:

"Only minor onsite equipment maintenance activities are approved. These activities would include but be limited to, tire repair/replacement, batteries placements, oil change, grease, welding modification and some light parts replacement. Minor maintenance work shall be conducted in a designated area approved by the **LESSOR**. Major mechanical repairs must be conducted offsite. Major mechanical repair would include rebuilding engines or motors. The **LESSEE** is responsible for the release/discharge of coolant fuels, oils or other material to the environment. Equipment and materials that are not necessary for the farming activities including broken equipment, used oil, coolant, batteries, tires and other miscellaneous equipment must be removed from the site. The **LESSOR** shall be notified immediately of spills or discharge of any product. It is the **LESSEE**'s responsibility to notify the appropriate regulatory agencies of all reportable incidences."

10. Article 11.16 is hereby revised to add the following:

"**LESSOR** does not guarantee any level of flood protection and does not guarantee ground water levels."

11. Article 11.23 is hereby revised to add the following:

"The **LESSEE** shall not hunt, trap, fish or capture any wildlife upon the Premises or allow others to do so except in accordance with established regulations."

12. A new Article 12.13 is hereby added as follows:

"**LESSEE** will not dig any irrigation or drainage ditches without the **LESSOR'S** written consent, and the **LESSOR** shall allow the **LESSEE** to use normal drainage and pumping practices as provided in the BMPs in order to grow and harvest row crops. The **LESSOR** shall allow the **LESSEE** to pump in order to maintain water levels at or below the critical freeboard elevation if provided in the BMP."

SFWMD OFFICE OF COUNSEL APPROVED

By: Frank Mendez
Print Name: Frank Mendez

Date: 5/3/13

SFWMD PROCUREMENT APPROVED

By: Gracie Gueon Date: 5/2/13



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

ARTICLE 1 - LEASE TERM

1.1 The LESSOR hereby agrees to lease the Premises more fully described in Exhibit "M" attached hereto, and made a part of this LEASE (hereinafter the "Premises").

1.2 LESSEE may utilize the Premises solely for purposes described in Exhibit "C", attached hereto and made a part hereof. The Premises and improvements located thereon are being leased in their "AS IS", "WHERE IS", and "WITH ALL FAULTS" condition. LESSEE has examined the Premises to its complete and total satisfaction and is familiar with the condition thereof, and accepts the same in their present condition. LESSOR has made no representations or warranties to LESSEE respecting the condition of the Premises. LESSEE has had adequate opportunity to investigate the zoning of the Premises and is satisfied that it can use the Premises in the manner required by this LEASE. LESSOR makes no warranty or representation as to the use or potential use of the Premises.

1.3 The LESSOR hereby leases the Premises to the LESSEE for a ten (10) year period as indicated on the cover/signature page of this LEASE, which shall not exceed a maximum of ten (10) years, unless earlier terminated pursuant to other provisions of this LEASE ("Lease Term").

1.4 Time is of the essence with respect to every term, condition and provision of this LEASE.

1.5 Upon expiration of the original Lease Term, the LESSOR will conduct a competitive bid process with the minimum bid established by a District appraiser. The District shall provide to the existing LESSEE a right of first refusal provided LESSEE:

- i. has been in substantial compliance with the existing Lease;
- ii. submits a responsive and responsible bid; and
- iii. in order to exercise the right of first refusal, the existing LESSEE must agree to pay rent at 10% over the highest bid from another responsive and responsible bidder. In the event the existing LESSEE is the only responsive and responsible bidder, the existing LESSEE shall be awarded the Lease at the submitted bid amount.

1.6 LESSEE agrees to any modifications to the LEASE terms and conditions as determined by

DISTRICT staff in their discretion. Such modifications may include, but are not limited to changes in the Best Management Practices.

1.7 LESSEE shall cooperate with the LESSOR to optimize the existing infrastructure on the Premises for the purposes of maximizing water storage in conjunction with the Dispersed Water Management Program. Such efforts shall be conducted in accordance with any and all existing permits. LESSEE shall indemnify and hold the LESSOR, its officers, directors, board members, agents, assigns and employees harmless from liabilities, damages, losses and costs, including but not limited to reasonable attorney's fees and costs, to the extent caused by such optimization efforts or water storage. LESSOR shall have no obligation to fund or contribute to the cost of such optimization efforts.

ARTICLE 2 - COMPENSATION/ CONSIDERATION

2.1 As consideration for the rights conferred upon the LESSEE by the LESSOR pursuant to this LEASE, the LESSEE shall pay to the LESSOR annual rental ("Rent") in the amount indicated on cover/signature page of this LEASE together with all applicable sales and use taxes. The first payment of said Rent to be made upon the signing of this LEASE by the LESSEE, and successive installments shall be due on the anniversary of the Effective date of the LEASE each year thereafter. The Rent shall be adjusted annually for the second (2nd) through the fifth (5th) years of the Lease Term based on either the then current Consumer Price Index (CPI) for all Urban Consumers or appropriate Agricultural Commodity Index (ACI). LESSEE shall elect which adjustment upon LEASE commencement and the selected adjustment method shall remain in effect through the Lease Term. The sixth (6th) year of the Lease Term is subject to a then current market rent appraisal for that year and the LESSOR shall adjust the rent for year six (6) to fair market value with the remaining years of the Lease Term subject to the CPI or ACI adjustment for years seven (7) through ten (10) as selected previously by LESSEE.

ARTICLE 3 - TAXES AND ASSESSMENTS

3.1 In addition to the total amount of consideration paid by the LESSEE, as stated on the cover/signature page of the LEASE, LESSEE hereby agrees to pay to the LESSOR any and all applicable sales and use taxes in



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

connection with the LESSEE's use of any LESSOR-owned real Premises. Such tax shall be an amount equal to all applicable sales taxes in the county in which the premises is located and on the total amount of this LEASE, and shall be due and payable at the same time and in the same manner as provided for rendering LEASE payments to the LESSOR. The LESSOR shall remit the tax paid by the LESSEE to the Florida Department of Revenue at the time and in the manner provided for by the Legislature. Should the LESSEE secure a sales and use tax exemption from the county in which the Premises is located, the LESSEE shall immediately submit proof of such exemption to the LESSOR. In the absence of such exemption, any failure by the LESSEE to pay such sales and use taxes to the LESSOR shall constitute a material default of this LEASE. Any such delinquent sales and use taxes shall be submitted to the DISTRICT for collection.

3.2 LESSEE understands and agrees that upon execution of this LEASE, the Premises shall be placed upon the tax rolls of the county in which the Premises is located without exempt status. LESSEE shall pay all real property taxes, intangible property taxes and personal property taxes, sales taxes levied against the property, as well as all assessments, including but not limited to pending, certified, confirmed and ratified special assessment liens, accrued or levied with respect to the Premises or this LEASE during the Lease Term. The amount of taxes or assessments will be determined by the county property appraiser. LESSEE acknowledges that it shall be liable for such real property taxes, personal property taxes and intangible taxes, and assessments as are applicable for the Premises and this LEASE, during the full Lease Term.

LESSEE shall pay such taxes and assessments promptly upon receipt of an assessment notice from the taxing authority but in no event later than February 1st, and shall furnish proof of such payment to the LESSOR's Procurement Bureau within fifteen (15) days of such payment. Any penalties or late fees incurred for failure to pay said taxes and assessments timely as provided above (i.e. annually no later than February 1st) shall constitute a material default of this LEASE. Any such penalties or late fees shall be submitted to the DISTRICT for collection.

Notwithstanding anything contained herein to the contrary, in the event LESSEE elects to contest a tax assessment, LESSEE shall do so in accordance with any and all applicable laws, statutes, ordinances, rules and regulations and shall deliver written notice thereof,

including a copy of the petition filed by LESSEE contesting such assessment, to LESSOR within fifteen (15) days of filing a petition contesting the assessment. Within fifteen (15) days of the final resolution of any action by LESSEE contesting a tax assessment, LESSEE shall provide written proof to LESSOR that all taxes and assessments, including any penalties or late fees, due and payable by the LESSEE with respect to the Premises and this LEASE have been paid in full.

3.3 Any holding over after the expiration or termination of the LEASE Term shall be construed to be a tenancy from month to month, and LESSEE hereby agrees to pay to LESSOR the same Rent as was due during the last term prior to the hold over period, together with Additional Rent, and such holding over shall otherwise be on the terms and conditions herein specified, so far as applicable. Any holding over without LESSOR consent shall constitute a default by LESSEE and entitle LESSOR to reenter the Premises and collect double the Rent herein specified (prorated on a monthly basis), together with the Additional Rent.

ARTICLE 4 - INVOICING AND PAYMENT

4.1 All payments of Rent, as well as all other amounts due under this LEASE from LESSEE to LESSOR shall be made to LESSOR at the address indicated on the cover/signature page of this LEASE. All payments made by LESSEE shall be made in the form of a cashier's check (i.e. a check issued by the officer of a bank on the bank's own account and not that of a private person).

4.2 The LESSEE acknowledges that failure to make timely periodic payments of consideration to the LESSOR, as required under the terms of this LEASE, shall constitute a material default of this LEASE, as provided in Article 6 below.

4.2 If any consideration due from LESSEE to LESSOR hereunder is not received by LESSOR within five (5) days after the date due, the LESSOR at its sole option may either: (i) charge LESSEE a late fee equal to five percent (5%) of the installment of amount of consideration not paid when due; or (ii) charge interest on the installment of consideration not paid when due at the highest rate allowed by law from the date due until the date received by LESSOR in immediately available funds.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

ARTICLE 5 – PROJECT MANAGEMENT/ NOTICE

5.1 The parties shall direct all technical matters arising in connection with the performance of this LEASE, other than invoices and notices, to the attention of the respective Project Managers specified on the cover/signature page of the LEASE for attempted resolution or action. The Project Managers shall be responsible for overall coordination and oversight relating to the performance of this LEASE. The LESSEE shall direct all administrative matters, including invoices and notices, to the attention of the LESSOR's Contract Specialist specified on the cover/signature page of the LEASE.

All formal notices between the parties under this LEASE shall be in writing and shall be deemed received if sent by certified mail, return receipt requested, any form of overnight mail delivery or hand delivery to the respective addresses specified on the cover/signature page of the LEASE. The LESSEE shall also provide a copy of all notices to the LESSOR's Project Manager should either party change its address, written notice of such new address shall promptly be sent to the other party.

All correspondence to the LESSOR under this LEASE shall reference the LESSOR's Contract Number specified on the cover/signature page of the LEASE.

ARTICLE 6 - INDEMNIFICATION/ INSURANCE/BONDING

6.1 For value received, which is hereby acknowledged, the LESSEE shall indemnify and hold the LESSOR, its officers, directors, board members, agents, assigns, and employees harmless from liabilities, damages, losses and costs, including, but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness or intentionally wrongful conduct of the LESSEE and other persons employed or utilized by the LESSEE in the performance of the LEASE.

The LESSEE further acknowledges that it is solely responsible for ensuring its compliance and the compliance of its subcontractors, suppliers, agents, assigns, invitees and employees with the terms of this LEASE. This paragraph shall survive the expiration or termination of this LEASE.

6.2 The LESSEE shall procure and maintain, through the term of this LEASE, insurance coverage reflecting, at a minimum, the limits and coverage conditions identified on the LESSOR's Insurance Requirements, attached as Exhibit "H" and made a part of this LEASE. It shall be the responsibility of the LESSEE to ensure that the coverage required shall extend to all employees and subcontractors of the LESSEE. Prior to the execution of this LEASE, the LESSEE shall provide a Certificate of Insurance for such coverage to the LESSOR for approval, indicating the producer, insured, carrier's name, and BEST rating, policy numbers and effective and expiration dates of each type of coverage required. The Certificate of Insurance shall be signed by the insurance carrier's authorized representative and shall identify the LESSOR as added insured as required.

6.3 All insurers must be qualified to lawfully conduct business in the State of Florida. Failure of the LESSOR to notify the LESSEE that the certificate of insurance does not meet the LEASE requirements shall not constitute a waiver of the LESSEE's responsibility to meet the stated requirement. In addition, receipt and acceptance of the certificate of insurance by the LESSOR shall not relieve the LESSEE from responsibility for adhering to the insurance limits and conditions of insurance required within this LEASE. Misrepresentation of any material fact, whether intentional or not, regarding the LESSEE's insurance coverage, policies or capabilities, may be grounds for termination of the LEASE as determined solely by the LESSOR.

6.4 On or before the Commencement Date of the Lease Term, the LESSEE shall deposit with the LESSOR an acceptable Surety Bond ("Surety Bond") prepared on a standard surety bond form in order to:

6.4.1 guarantee that the Premises shall be returned to the LESSOR at the expiration or termination of the LEASE in substantially the same or equal condition as prevailed on the commencement Date of the LEASE, and

6.4.2 to insure faithful performance of the provisions of the LEASE, including without limitation the payment of any and all Rent pursuant to Article 2, and any and all taxes and assessments pursuant to Article 3, and the prompt payment to any and all persons, firms or corporations supplying services, labor, materials and supplies to the



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

LESSEE where such services, labor, materials and supplies are used and incorporated into buildings, structures, equipment and improvements located, erected or placed upon the Premises.

6.5 The Surety Bond shall be in the amount equal to the estimated property and sales tax liability as shown on Exhibit "L". If the Surety Bond is insufficient to pay the LESSEE's share of the taxes and assessments due for any year of the Lease Term, LESSOR shall notify LESSEE in writing of such deficiency, whereupon LESSEE shall increase the amount of the Surety Bond to the full amount within ten (10) days of such notice. In the event of default or other termination by LESSEE, such termination shall be good and sufficient cause for the LESSOR to require all payments and obligations of the LESSEE to be paid by the LESSOR or its surety within thirty (30) calendar days of such termination. The Surety Bond as specified may be, at the surety's convenience, written either as one, or more than one bond, so long as the coverage is as specified above.

6.6 In lieu of the above mentioned Surety Bond, the LESSEE shall have the option to deposit with the LESSOR on the signing of this LEASE, either cash, cashier's check or irrevocable letter of credit in the amount set forth in Exhibit "L" "Security", to be held in escrow by the District, for the performance of LESSEE's obligations under this LEASE. As with the Surety Bond, the Security shall guarantee that the Premises shall be returned to the LESSOR at the expiration or termination of the LEASE in substantially the same or equal condition as prevailed on the Commencement Date of the LEASE. Towards that end, the LESSOR may apply any part of the Security to cure any default of LESSEE, including without limitation the payment of any and all Rent pursuant to Article 2, and any and all taxes and assessments pursuant to Article 3. If the Security is insufficient to pay the LESSEE's prorated share of the taxes and assessments or Rent due for any year of the Lease Term, LESSOR shall notify LESSEE in writing of such deficiency, whereupon LESSEE shall increase the amount of the Security to the full amount within ten (10) days of such notice.

6.7 The Surety Bond or Security, as applicable, shall be held in escrow by LESSOR until receipt of the tax bill for the final year of the Lease Term, whereupon such funds shall be used by LESSOR to pay the taxes and assessments otherwise due and payable by LESSEE for the last year of the Lease

Term, prorated based on the termination date and any other taxes for which the LESSEE was responsible but failed to pay.

6.9 LESSEE shall keep the Premises free from any liens, including, but not limited to mechanic's liens, arising out of any work performed, materials furnished or obligations incurred by LESSEE.

6.10 The LESSEE herein shall not have any authority to incur liens for labor or material on the LESSOR's interest in the Premises and all persons contracting with the LESSEE for the destruction or removal of any building or for the erection, installation alteration, or repair of any building or other improvements on the Premises and all materialmen, contractors, mechanics and laborers, are hereby charged with notice that they must look to the LESSEE and to the LESSEE's interest only in the Premises to secure the payment of any bill for work done or material furnished during the rental period created by this LEASE.

6.11 In the event that LESSEE shall not, within 10 days following the imposition of any such lien, cause the same to be released of record by payment or posting of a property bond, LESSOR shall have, in addition to all other remedies provided herein and by law, the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including payment of the claim giving rise to such lien. All such sums paid by LESSOR, including, but not limited to reasonable attorney's fees and expenses incurred by it in connection therewith, together with interest at the maximum rate allowed by law, shall be considered Additional Rent and shall be payable to LESSOR by LESSEE on demand.

6.12 LESSOR shall have the right at all times to record in the public records or post and keep posted on the Premises any notice permitted or required by law, or which LESSOR shall deem proper, for the protection of LESSOR, the Premises, the improvements located thereon and any other party having an interest therein, from mechanic's and materialmen's liens.

6.13 Pursuant to Sections 713.01(21) and 713.10, Florida Statutes, the interest of LESSOR in the Premises and the improvements located thereon shall not be subject to liens for improvements made by LESSEE and such liability is expressly prohibited.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

6.14 LESSEE expressly understands and agrees that LESSEE, its officers, agents, and employees, are not entitled to any unemployment compensation, workers' compensation or any other employment benefits from the LESSOR. LESSEE expressly and voluntarily waives and agrees not to make any claim for such benefits or benefit plans should LESSEE or any of its officers, agents, or employees be adjudicated for any reason to be an employee of the LESSOR. In the event LESSEE is self employed, lessee expressly represents that LESSEE is an independent party and hereby waives any entitlement to overtime or other benefits that LESSEE may be entitled to receive should lessee be adjudicated for any reason to be an employee of the LESSOR.

ARTICLE 7 - TERMINATION/REMEDIES

7.1 It is the policy of the LESSOR to encourage good business practices by requiring LESSEE's to materially perform in accordance with the terms and conditions of the LEASE. In accordance with LESSOR Rule 40E-7, Part II, F.A.C., "material breach" is defined as any substantial, unexcused non-performance by failing to perform an act that is an important part of the transaction or performing an act inconsistent with the terms and conditions of the LEASE.

If the LESSEE materially fails to fulfill its obligations under this LEASE, the LESSOR will provide written notice of the deficiency by forwarding a Cure Notice citing the specific nature of the material breach. The LESSEE shall have thirty (30) days to cure the breach. If the LESSEE fails to cure the breach within the thirty (30) day period, the LESSOR shall issue a Termination for Default Notice. Once the LESSOR has notified the LESSEE that it has materially breached its LEASE with the LESSOR, by sending a Termination for Default Notice, the LESSOR's Governing Board shall determine whether the LESSEE should be suspended from doing future work with the LESSOR, and if so, for what period of time. The LESSOR's Governing Board will consider the factors detailed in Rule 40E-7, Part II, F.A.C. in making a determination as to whether a LESSEE should be suspended, and if so, for what period of time. Should the LESSOR terminate for default in accordance with this provision, the LESSOR shall be entitled to recover procurement costs in addition to all other remedies under law and/or equity.

This LEASE is subject to immediate termination by the LESSOR for any of the following reasons: (i) any fraud or misrepresentation by the LESSEE regarding the LEASE; (ii) any unauthorized use of or entry on to District owned lands by the LESSEE; (iii) the LESSEE commits a crime on District property; or (iv) the LESSEE performs in a manner that is contrary to the LESSOR'S best interest.

7.2 The LESSOR may terminate this LEASE at any time for convenience by providing a six (6) month prior written notice to the LESSEE. The performance of work under this LEASE may be terminated by the LESSOR in accordance with this clause in whole, or from time to time in part, whenever the LESSOR shall determine that such termination is in its best interest. Any such termination shall be effected by delivery to the LESSEE of a Notice of Termination specifying the extent to which the LEASE is terminated, and the date upon which such termination becomes effective. The LESSOR shall be relieved of any and all future obligations hereunder, including, but not limited to, lost profits and consequential damages, under this LEASE. In the event of termination for reasons other than the LESSEE's default, the LESSOR shall return to the LESSEE a pro-rata share of the current annual fee and the LESSOR shall also return the advance annual fee paid by the LESSEE for the next year.

LESSEE may terminate this LEASE after five (5) years by providing notice at least six (6) months prior to the end of the fifth (5th) year of the Lease Term.

7.3 The LESSOR may order that all or part of the work stop if circumstances dictate that this action is in the LESSOR's best interest. Such circumstances may include, but are not limited to, unexpected technical developments, direction given by the LESSOR's Governing Board, a condition of immediate danger to LESSOR employees, or the possibility of damage to equipment or to the Premises exists. This provision shall not shift responsibility for loss or damage, including but not limited to, lost profits or consequential damages sustained as a result of such delay, from the LESSEE to the LESSOR. If this provision is invoked, the LESSOR shall notify the LESSEE in writing to stop work as of a certain date and specify the reasons for the action, which shall not be arbitrary or capricious. The LESSEE shall then be obligated to suspend all work efforts as of the effective



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

date and until further written direction from the LESSOR is received. Upon resumption of work, if deemed appropriate by the LESSOR, the LESSOR shall initiate an amendment to this LEASE to reflect any changes to the management of the Premises as defined in Exhibit "C".

7.4 In the event of termination for reasons other than the LESSEE's default, the LESSOR shall return to the LESSEE a pro-rata share of the current annual fee and the LESSOR shall also return the advance annual fee paid by the LESSEE for the next year.

7.5 In the event a dispute arises which the parties cannot resolve between themselves, the parties shall have the option to submit to non-binding mediation. The mediator or mediators shall be impartial, shall be selected by the parties, and the cost of the mediation shall be borne equally by the parties. The mediation process shall be confidential to the extent permitted by law.

7.6 Failure by the LESSEE to perform or abide by any term, provision, covenant, agreement, undertaking or condition of this LEASE shall constitute a material default of this LEASE for which the LESSOR may exercise all such rights and remedies granted under the laws of the State of Florida, including, but not limited to, termination of the LEASE by the LESSOR.

7.7 LESSEE shall not record this LEASE or any portion or any reference thereto without the prior written consent of LESSOR, which consent may be withheld by LESSOR in LESSOR's sole and absolute discretion. In the event LESSEE violates any of the foregoing, this LEASE shall terminate at LESSOR's option or LESSOR may declare a default hereunder and pursue any and all of its remedies allowed by law and this LEASE.

7.8 The LESSEE shall not assign, delegate, encumber, mortgage, pledge or otherwise transfer or hypothecate all or any part of its rights and obligations as set forth in this LEASE collectively ("Assignment") or sublease all or any portion of the Premises ("Sublease") without the prior written consent of the LESSOR in each instance, which consent shall not be unreasonably withheld. Any Assignment or Sublease made by LESSEE without the prior written consent of LESSOR shall be void and of no force or effect. In the event LESSOR does

permit an Assignment or Sublease by LESSEE, then the assignee or sublessee, as the case may be, shall automatically be deemed to have assumed all duties, responsibilities and obligations of LESSEE under this LEASE and the LESSEE shall not be released of any of its duties, responsibilities or obligations provided under this LEASE, but shall remain liable therefore. Any sale or other transfer of at least a fifty percent (50%) majority interest of the voting stock of LESSEE if LESSEE is a corporation (including by way of merger or consolidation), or any sale or other transfer of at least fifty percent (50%) of the general partnership interest in the event LESSEE is a general partnership or limited partnership, shall constitute an Assignment for purposes of this LEASE.

7.8.1 The appointment of a receiver to take possession of all or substantially all of the assets of LESSEE, or an assignment of LESSEE for the benefit of creditors, or any action taken or suffered by LESSEE under any insolvency, bankruptcy, reorganization or other debtor relief proceedings, whether now existing or hereafter amended or enacted, shall at LESSOR's option constitute a breach of this LEASE by LESSEE. Upon the happening of any such event or at any time thereafter, this LEASE shall terminate five (5) days after written notice of termination from LESSOR to LESSEE. In no event shall this LEASE be assigned or assignable by operation of law or by voluntary or involuntary bankruptcy proceedings or otherwise and in no event shall this LEASE or any rights or privileges hereunder be an asset of LESSEE under any bankruptcy, insolvency, reorganization or other debtor relief proceedings.

ARTICLE 8 - RECORDS RETENTION

8.1 The LESSOR shall have audit and inspection rights as follows:

8.1.1 Examination of Costs: The LESSEE shall maintain records of all accounts, invoices for reimbursable expenses, books, accounting procedures and practices and supporting documentation for any research or reports, for a period of five (5) years from completing performance of this LEASE. Such records shall be sufficient to permit a proper pre and post audit in accordance with generally accepted governmental auditing standards and to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred in accordance with generally accepted accounting



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

principles for performance under this LEASE. Such examination shall include inspection at all reasonable times of the LESSEE's facilities, or such parts thereof, as may be engaged in the performance of this LEASE.

8.1.2 Reports: If the LESSEE is requested to furnish cost information, reports or contract fund status reports as a result of its performance under this LEASE, the LESSOR shall have the right to examine books, records, documents and supporting materials for the purpose of evaluating i) the effectiveness of the LESSEE's policies and procedures to produce data compatible with the objectives of the reports and ii) the data reported.

8.1.3 Availability: The materials described in subparagraphs 8.1.1 and 8.1.2 above shall be made available to the LESSOR or its designated agent for inspection and photocopying at the location where they are kept upon reasonable prior notice, until the expiration of five (5) years from the date of final payment under this LEASE.

(a) If this LEASE is completely or partially terminated, the records relating to the work terminated shall be made available for inspection by the LESSOR or its designated agent for a period of five years from the date of any resulting settlement.

(b) Records which relate to any litigation, appeals or settlements of claims arising from performance under this LEASE shall be made available until such litigation, appeals or claims have been disposed of.

8.2 The LESSEE shall allow public access to all project documents and materials in accordance with the provisions of Chapter 119, Florida Statutes.

8.3 Pursuant to Chapter 119, Florida Statutes any plans and specs created or received by the LESSOR pursuant to this LEASE which include building plans, blueprints, schematic drawings, and diagrams, including draft, preliminary and final formats, which depict the internal layout and structural elements of a building, water treatment facility, or other structure are exempt from the Public Records law and must be maintained in a confidential manner by the LESSEE.

The LESSEE shall complete, comply with and furnish to the LESSOR a signed copy of a Plan and Specification Request Form, attached hereto as

Exhibit "M". In addition, the LESSEE acknowledges that it is solely responsible for ensuring its compliance and the compliance of its staff, and subcontractors with the terms of Exhibit "M" and Chapter 119, Florida Statutes. This paragraph shall survive the expiration or termination of this LEASE. Exhibit "M" will remain on file with the LESSOR during the term of the LEASE so that the LESSEE will not have to fill out a new Exhibit for each Work Order issued to the LESSEE.

ARTICLE 9 - STANDARDS OF COMPLIANCE

9.1 The LESSEE shall strictly comply with, and be the responsible entity for remedying all violations of, all applicable federal, state, local and LESSOR laws, ordinances, rules and regulations, and private restrictions, applicable to the Premises and LESSEE's operations conducted thereon and occupancy thereof, as well as LESSEE's performance of this LEASE.

9.2 The LESSEE shall ensure that no person shall, on the grounds of race, color, creed, national origin, handicap, or sex, be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in any activity under this LEASE. The LESSEE shall take all measures necessary to effectuate these assurances.

9.3 The laws of the State of Florida shall govern all aspects of this LEASE. In the event it is necessary for either party to initiate legal action regarding this LEASE, venue shall be in the Fifteenth Judicial Circuit for claims under state law and the Southern District of Florida for any claims which are justiciable in federal court.

9.4 The LESSEE, by its execution of this LEASE, acknowledges and attests that neither it, nor any of its suppliers, subcontractors, or consultants who shall perform work which is intended to benefit the LESSOR is a convicted vendor or has been placed on the discriminatory vendor list. If the LESSEE or any affiliate of the LESSEE has been convicted of a public entity crime or has been placed on the discriminatory vendor list, a period longer than 36 months must have passed since that person was placed on the convicted vendor or discriminatory vendor list. The LESSEE further understands and accepts that this LEASE shall be either void by the LESSOR or subject to immediate termination by the LESSOR, in the event there is any



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

misrepresentation or lack of compliance with the mandates of Section 287.133 or Section 287.134, respectively, Florida Statutes. The LESSOR, in the event of such termination, shall not incur any liability to the LESSEE for any work or materials furnished.

9.5 The LESSEE, by its execution of this LEASE, acknowledges and attests that neither it, nor any of its suppliers, subcontractors, or consultants who shall perform work which is intended to benefit the DISTRICT is listed on either the *Scrutinized Companies with Activities in Sudan List* or the *Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List*, created pursuant to section 215.473, Florida Statutes. The LESSEE further understands and accepts that this LEASE shall be either void by the DISTRICT or subject to immediate termination by the DISTRICT in the event there is any misrepresentation or false certification on the part of the LESSEE. The DISTRICT, in the event of such termination, shall not incur any liability to the LESSEE for any work or materials furnished.

9.6 The LESSEE, by its execution of this LEASE, acknowledges and attests that neither it, nor any of its suppliers, subcontractors, or consultants who shall perform work which is intended to benefit the LESSOR is included on the list of Specially Designated Nationals and Blocked Persons (SDN List) which is administered by the U.S. Department of Treasury, Office of Foreign Assets Control. The LESSEE further understands and accepts that this LEASE shall be either void by the LESSOR or subject to immediate termination by the LESSOR, in the event there is any misrepresentation. The LESSOR, in the event of such termination, shall not incur any liability to the LESSEE for any work or materials furnished.

9.7 The LESSEE shall obtain all necessary federal, state, local, and other governmental approvals and permits including applicable LESSOR permits, as well as all necessary private authorizations and permits prior to the commencement date of the LEASE Term and shall maintain same throughout the term of this LEASE. Within five (5) days of demand by LESSOR to LESSEE, LESSEE shall submit to LESSOR copies of all permits and authorizations that LESSEE is required to obtain pursuant to the provisions of this LEASE. The LESSEE shall be responsible for compliance with all permit terms and conditions.

9.8 The LESSOR is a governmental entity responsible for performing a public service and therefore has a legitimate interest in promoting the goals and objectives of the agency. The work under this LEASE involves a project consistent with these goals and objectives. Consequently, the LESSOR is desirous of satisfactorily completing and successfully promoting this project with the cooperation of its LESSEE. Therefore, the LESSEE assures the LESSOR that the LESSEE, its employees, subcontractors and assigns will refrain from acting adverse to the LESSOR'S legitimate interest in promoting the goals and objectives of this project. The LESSEE agrees to take all reasonable measures necessary to effectuate these assurances. In the event the LESSEE determines it is unable to meet or promote the goals and objectives of the project, it shall have the duty to immediately notify the LESSOR. Upon such notification the LESSOR, in its discretion, may terminate this LEASE.

9.9 The LESSEE shall be responsible for verifying employee authorization to work in the U.S. and certifying that a good faith effort has been made to properly identify employees by timely reviewing and completing appropriate documentation, including but not limited to the Department of Homeland Security, U.S. Citizenship and Immigration Services Form I-9. In the event the amount of this LEASE exceeds \$150,000 and for all persons hired by LESSEE to work in the State of Florida for a period that is equal to or exceeds 120 days, the LESSEE shall use the United States Department of Homeland Security's E-Verify system ("E-Verify") to verify employment eligibility. Additionally, if LESSEE uses subcontractors to perform any portion of the Work under this LEASE valued in excess of \$3,000, LESSEE must include a requirement in the subcontractor's contract that the subcontractor use E-Verify to verify the employment eligibility of all persons hired by subcontractor to perform any such portion of the Work. Within 30 days of this LEASE's Effective Date, LESSEE must provide the DISTRICT with evidence that LESSEE is enrolled in the E-Verify system. Answers to questions regarding E-Verify as well as instructions on enrollment may be found at the E-Verify website: www.uscis.gov/e-verify.

Written verification shall be kept by the LESSEE and made available for inspection on demand by the LESSOR.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

The hourly rate of pay for each employee shall comply with State law and industry standards for similar work performed under the **LEASE**. The **LESSEE** shall maintain records verifying the rate of pay for each employee working on this **LEASE** and make such records available for inspection on demand by the **LESSOR**.

Failure to fully comply with these provisions shall be a material breach of the **LEASE** and cause for termination of the **LEASE**.

ARTICLE 10 - RELATIONSHIP BETWEEN PARTIES

10.1 Nothing contained in this **LEASE** shall be construed to create the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto other than the relationship of **LESSOR** and **LESSEE**.

10.2 Pursuant to Section 373.099, Florida Statutes, **LESSOR** does not warrant or represent that it has title to the Premises. **LESSEE**'s occupancy of the Premises shall be subject to the rights of others, including but not limited to easements, restrictions, reservations, all matters of public record and all other encumbrances affecting the Premises.

ARTICLE 11 - GENERAL PROVISIONS

11.1 Notwithstanding anything contained in this **LEASE** to the contrary, in the event of a sale or conveyance by **LESSOR** of the Premises or any portion thereof or in the event of an assignment of this **LEASE** by **LESSOR**, any such assignment, sale or conveyance shall automatically operate to release **LESSOR** from any future liability upon any of the terms, provisions, covenants or conditions, express or implied, herein contained in favor of **LESSEE**, and in such event **LESSEE** agrees to look solely to the successor in interest of **LESSOR** in and to this **LEASE**. This **LEASE** shall not be affected by any such sale, and **LESSEE** agrees to attorn to the purchaser or assignee.

11.2 Any inconsistency in this **LEASE** shall be resolved by giving precedence in the following order:

- (a) Exhibit "A" Special Provisions, if applicable
- (b) Exhibit "B" General Terms and Conditions
- (c) Exhibit "C" Statement of Work

- (d) all other exhibits, attachments and documents specifically incorporated herein by reference

11.3 Should any term or provision of this **LEASE** be held, to any extent, invalid or unenforceable, as against any person, entity or circumstance during the term hereof, by force of any statute, law, or ruling of any forum of competent jurisdiction, such invalidity shall not affect any other term or provision of this **LEASE**, to the extent that the **LEASE** shall remain operable, enforceable and in full force and effect to the extent permitted by law.

11.4 This **LEASE** may be amended only with the prior written approval of **LESSOR** and **LESSEE**.

11.5 Failures or waivers to enforce any covenant, condition, or provision of this **LEASE** by the parties, their successors and assigns shall not operate as a discharge of or invalidate such covenant, condition, or provision, or impair the enforcement rights of the parties, their successors and assigns not shall it be construed as a waiver or relinquishment for the future enforcement of any such covenant, condition of right but the same shall remain in full force and effect. Furthermore, the acceptance of Rent, any Additional Rent or a partial payment of same by **LESSOR** shall not constitute a waiver of any preceding breach by **LESSEE** of any provision of this **LEASE** nor a waiver of the right to receive full payment of Rent or Additional Rent.

11.6 This **LEASE** states the entire understanding between the Parties and supersedes any written or oral representations, statements, negotiations, or agreements to the contrary. The **LESSEE** recognizes that any representations, statements or negotiations made by **LESSOR**'s staff do not suffice to legally bind the **LESSOR** in a contractual relationship unless they have been reduced to writing, authorized, and signed by an authorized representative of **LESSOR**. This **LEASE** shall bind the Parties, their assigns, and successors in interest.

11.7 For purposes of this **LEASE**, "Pollutant" shall mean any hazardous or toxic substance, material, or waste of any kind or contaminant, pollutant, petroleum, petroleum product, or petroleum by-product as defined or regulated by environmental laws. "Disposal" shall mean the release, storage, use, handling, discharge or disposal of such Pollutants. "Environmental Laws" shall mean any applicable federal, state or local laws, statutes, ordinances, rules,



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

regulations or other governmental restriction. The LESSEE shall not cause or permit the Disposal of any Pollutants upon the Premises or upon any adjacent lands. The LESSEE shall operate and occupy the Premises in compliance with all Environmental Laws. Any Disposal of such materials, whether caused by LESSEE or any other third party, shall be reported to the LESSOR immediately upon the knowledge thereof by the LESSEE. The LESSEE shall be solely responsible for the entire cost of cleanup of any Pollutants which are disposed of or are otherwise discovered on the Premises or emanate from the Premises to adjacent lands as a result of the use of the Premises or surrounding lands by the LESSEE. For Ten Dollars (\$10.00) consideration, receipt of which is hereby acknowledged, the LESSEE shall indemnify and hold harmless the LESSOR, from and against any and all claims, loss, damage, cost or liability incurred by LESSOR including, but not limited to, reasonable attorney's fees and costs, which arises directly, indirectly or proximately as a result of the Disposal of any Pollutants which affects the Premises or emanates from the Premises to adjacent lands during the LEASE Term. This responsibility shall continue to be in full force and effect for any such Pollutants as are discovered after the date of termination or expiration of this LEASE. While this paragraph establishes contractual liability for the LESSEE regarding pollution of the Premises as provided herein, it does not alter or diminish any statutory or common law liability of the LESSEE for such pollution. This paragraph shall survive the termination or expiration of this LEASE.

11.8 LESSEE shall not make any alterations, additions or improvements, whether capital, internal or external, (collectively, "Alterations") in, on or to the Premises or any part thereof without the prior written consent of LESSOR, which consent may be withheld in LESSOR's sole and absolute discretion.

11.9 Any Alterations to the Premises, made with the prior approval of LESSOR, except for LESSEE's movable furniture and equipment, shall immediately become LESSOR's property and, at the end of the Lease Term, shall remain on the Premises without compensation to LESSEE; provided, however, that any such movable furniture and equipment, otherwise belonging to LESSEE, but remaining on the Premises at the expiration or other termination of this LEASE shall also become the property of LESSOR.

11.10 In the event LESSOR consents to the making of any Alterations by LESSEE, the same shall be made by LESSEE, at LESSEE's sole cost and expense, in accordance with the plans and specifications previously approved in writing by LESSOR. LESSEE shall comply with all applicable laws, including but not limited to Construction Lien Law of the State of Florida, ordinances, regulations, building codes, and obtain all required permits, inspections, and certificates as may be required by all governmental agencies having jurisdiction thereof.

11.11 The right is reserved to the LESSOR, its officers, agents, and assigns to enter upon and travel through and across the Premises at any time for inspection, construction, maintenance, or for any purposes necessary to convenient in connection with LESSOR's works, and the LESSEE shall have no claim for damages of any character on account thereof against the LESSOR or any officer, agent, or assign thereof.

11.12 Radon Gas: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

11.13 This LEASE authorizes the use and occupancy of publicly owned lands for the establishment, operation and maintenance of recreational facilities and services and for the conduct of business in connection therewith for the general use and benefit of the public. The LESSEE shall furnish all necessary management, personnel, materials, supplies, parts, tools, equipment, and vehicles required for the business conducted on the Premises in strict accordance with the terms and conditions of this LEASE and all general, special, and technical provisions, drawings, attachments, and exhibits contained herein or incorporated by reference.

11.14 The LESSEE is responsible for examining the Premises and satisfying itself as to the general and local conditions, particularly water level conditions that are likely to impact LESSEE's operation and those conditions bearing upon the availability of



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

water, electric power, communication and road and access facilities. Failure on the part of the **LESSEE** to acquaint itself with all available information pertaining to the Premises will not relieve **LESSEE** from the responsibility of furnishing the required facilities and services and for compliance with the terms and conditions of this **LEASE**. The **LESSOR** assumes no responsibility or obligation to provide any roads, parking facilities, launching ramps, or other facilities of whatever nature or for any understanding or representation made by any of its officers or agents during or prior to the execution of this **LEASE** unless these provisions expressly provide for the furnishing of such facilities and such understanding or representation is specifically stated in this **LEASE**.

11.15 There shall be no maintenance of boats or equipment, including but not limited to changing oil or fluids and servicing filters, on the Premises. The **LESSEE** shall not store any fuel, or store or utilize any fuel tanks (whether empty or containing fuel or other hazardous substances), fuel trailers, hoses or any other fueling mechanisms on the Premises.

11.16 The **LESSEE** hereby waives any and all claims on the part of the **LESSEE**, which may arise or be incident to regulation of water levels associated with the Premises by the **LESSOR** and/or the U.S. Army Corps of Engineers.

11.17 The **LESSEE** shall not do or cause to be done anything whereby the full and free use by the public of the water areas of and surrounding the Premises will suffer unreasonable interference. This condition does not apply to temporary dockage and/or mooring facilities that may be provided by the **LESSEE** pursuant to and in accordance with the provisions of this **LEASE**.

11.18 The **LESSEE** shall comply with the Fair Labor Standards Act, 29 USCS §201, et seq. The Act is the minimum wage law. Its requirement that the **LESSEE** pay "not less" than the rates so determined presupposes the possibility that the **LESSEE** may have to pay higher rates.

11.19 The **LESSEE** shall not install or permit to be installed pit or vault latrines.

11.20 Consistent with Florida Statutes, the **LESSEE** will not discharge nor permit others to discharge

firearms on the Premises, nor display or permit others to display firearms in a reckless manner.

11.21 The **LESSEE** shall not discharge nor permit others to discharge sewage effluent into the water areas of and surrounding the Premises.

11.22 The **LESSEE** shall not install or permit others to install any device or conduct any activities on the Premises which, in the opinion of the **LESSOR**, are contrary to good morals or otherwise objectionable.

11.23 The **LESSEE** shall not engage in any business activity on the Premises not expressly authorized in this **LEASE** unless otherwise authorized in writing by the **LESSOR**.

11.24 The **LESSEE** shall not permit or suffer any offensive use of the Premises or the commission waste thereon; shall not conduct mining operations or drill for oil or gas upon the Premises; shall not remove sand, gravel, or kindred substance from the ground or shall not, in any manner, substantially change the contour or condition of the Premises unless prior approval is granted in writing by the **LESSOR**.

11.25 The **LESSEE** and his employees will, at all times, be courteous and considerate of the public.

11.26 The **LESSEE** will use the Premises and all rights and privileges herein granted to the extent needed in carrying out the true intent and purpose of **LEASE**.

11.27 The **LESSEE** shall assist to the extent necessary in the preservation of life and property in and around the Premises.

11.28 The **LESSEE** shall cooperate with the **LESSOR**, its employees, agents, and assigns in carrying out the intent and purposes of this **LEASE**.

11.29 **LESSEE** covenants and agrees that **LESSEE** shall have a general duty of repair. **LESSEE** shall, at **LESSEE's** expense, maintain and preserve the Premises in good condition and repair, to the satisfaction of **LESSOR**, and make all necessary repairs to the Premises and all improvements, fixtures and equipment located thereon, including but not limited to repairs to all interior, exterior, roof and structural portions of the Premises, all paved surfaces, windows, landscaping and all electrical,



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

plumbing, HVAC and other machinery located on the Premises. LESSOR shall have the right to determine, in LESSOR's sole discretion, if and when any such repairs are necessary. LESSEE shall be responsible for all such repairs and maintenance whether caused by acts of LESSEE, its agents, servants, employees, customers, guests, licensees or by acts of third parties, governmental regulations, acts of God, casualties, or any other reason. LESSEE shall be responsible for painting the interior and exterior of the Premises when required by LESSOR and only with the prior written consent of the LESSOR as to materials and color.

11.30 The LESSEE shall not employ or continue to employ any person who performs an act detrimental to the purpose of this LEASE or damages the Premises in any way.

11.31 A portable, self-contained sanitary facility shall be provided on the Premises for the use of the LESSEE's customers and employees. The sanitary facility shall be serviced regularly and maintained in clean and odor free condition. Wastes shall be disposed off site in a manner approved by local health officials.

11.32 There shall be absolutely no advertising, either visual or audio, placed on or conducted on the Premises with the sole exception of allowing the LESSEE to identify the name of its business in a reasonable manner. However, under no circumstances may vehicles with any form of advertisement or other promotional material be placed on the Premises.

ARTICLE 12 – SAFETY REQUIREMENTS

12.1 The LESSEE shall require appropriate personal protective equipment in all operations where there is exposure to hazardous conditions.

12.2 The LESSEE shall instruct employees required to handle or use toxic materials or other harmful substances regarding their safe handling and use, including instruction on the potential hazards, personal hygiene and required personal protective measures. A Material Safety Data Sheet (MSDS) shall be provided by the LESSEE to the LESSOR on each chemical product prior to its use.

12.3 The LESSEE shall comply with the standards and regulations set forth by the Occupational Safety and Health Administration (OSHA), the Florida Department of Labor and Employment Security and all other appropriate federal, state, local or LESSOR safety and health standards.

12.4 It is the LESSEE's sole duty to provide safe and healthful working conditions to its employees, subcontractors and employees of the LESSOR on and about the site of LEASE performance.

12.5 The LESSEE shall initiate and maintain an accident prevention program which shall include, but shall not be limited to, establishing and supervising programs for the education and training of employees in the recognition, avoidance, and prevention of unsafe conditions and acts.

12.6 The LESSEE shall erect and maintain, as required by existing conditions and performance of the LEASE, reasonable safeguards for safety and protection, including posting of danger signs and other warnings, against hazards.

12.7 The LESSEE shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to:

12.7.1 employees on the work and other persons who may be affected thereby; including pedestrians, visitors, or traveling public;

12.7.2 the work, materials, and equipment to be incorporated therein; whether in storage on or off the site, under care, custody or control of the LESSEE, LESSEE's subcontractors or subcontractors; and

12.7.3 other properties at the site or adjacent thereto; such as trees, shrubs, lawns, walks, utilities, pavement, roadways, structures, building, vehicles, and equipment not designated for removal, relocation or replacement in the course of work.

12.8 The LESSEE shall provide first aid services and medical care to its employees.

12.9 The LESSEE shall develop and maintain an effective fire protection and prevention procedures and good housekeeping practices on the work site throughout the LEASE.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

12.10 *Emergencies:* In emergency affecting safety of persons or property on or about the site or as a result of the work; the LESSEE shall act, timely and with due diligence, to prevent threatened damage, injury, or loss.

12.11 *Environmental:* When the LESSEE, LESSEE's subcontractors, or subcontractors, use petroleum products, hazardous chemicals, or any other chemicals used on or about the site, the LESSEE shall be responsible for handling these chemical constituents in accordance with federal, state and local regulations during the terms of the LEASE. For accidental discharges or releases onto the floor, air, ground, surface waters, ground waters, it shall be the LESSEE's sole responsibility to respond immediately to clean the site, at his expense, to the complete satisfaction of federal, state, local regulatory agencies and to the LESSOR requirements.

12.12 The LESSOR may order the LESSEE to halt operations under the LEASE, at the LESSEE's expense, if a condition of immediate danger to the public and/or LESSOR employees, equipment, or property exist. This provision shall not shift the responsibility or risk of loss for injuries or damage sustained from the LESSEE to the LESSOR; and the LESSEE shall remain solely responsible for compliance with all federal, state and local safety requirements, provisions of this section, and safety of all persons and property on or about the site.

ARTICLE 13 - LESSEE ASSUMPTION OF ITS PROPERTY AT RISK

13.1 All of LESSEE's personal property, equipment and fixtures located upon the Premises shall be at the sole risk of LESSEE and LESSOR shall not be liable under any circumstances for any damage thereto or theft thereof. In addition, LESSOR shall not be liable or responsible for any damage or loss to property or injury or death to persons occurring on or adjacent to the Premises resulting from any cause, including but not limited to, defect in or lack of repairs to the improvements located on the Premises.

ARTICLE 14 - PERSONAL GUARANTY

14.1 For consideration and other value received, which is hereby acknowledged, the Guarantor hereby, unconditionally and without defense, reservation or counterclaim, personally guarantees the performance of all LESSEE's obligations under the LEASE, including but not limited to the payment when due of all Rent and Additional Rent, and agrees to be personally liable for all liabilities and obligations of LESSEE arising out of the LEASE.

The Guarantor hereby grants to LESSOR and LESSEE full power, without notice to the Guarantor, and without affecting the liability of Guarantor hereunder to modify or otherwise change any terms of all or any part of the LEASE, to grant any extension or renewal thereof and any other indulgence with respect thereto, and to effect any release, subordination, compromise or settlement with respect to the LESSEE, the LEASE and the obligations of the Guarantor.

The Guarantor waives any notice of the acceptance of this Guaranty, or of the creation, renewal or accrual of any of the obligations made under the LEASE, present or future, or of the reliance of LESSOR upon this Guaranty. The Guarantor waives protest, presentment, demand for payment, notice of default or non-payment, and notice of dishonor to or upon the Guarantor, the LESSEE, or any other party liable under the LEASE.

14.2 In case the LESSEE shall fail to pay all of any part of the Rent or Additional Rent when due, the Guarantor immediately will pay to LESSOR the amount due and unpaid by the LESSEE, in like manner as if such amount constituted the direct and primary obligation of the Guarantor. LESSOR shall have its remedy under this Guaranty without being obliged to resort first to any other remedy or remedies to enforce payment under the LEASE, and may pursue all or any of its remedies at one or at different times. Guarantor hereby waives any and all defenses to the payment of Rent or Additional Rent which LESSEE may have to the payment thereof.

EXHIBIT "C"
STATEMENT OF WORK

I. INTRODUCTION / BACKGROUND

Pero Family Farms entered into a lease, effective as of June 1, 2000, with McMurrain Farms Limited Partnership, a Florida limited partnership, for approximately 623.96 acres of farm land, located on the west side State Road 7, one mile north of West Atlantic Avenue, in the agricultural reserve area of unincorporated Palm Beach County.

Palm Beach County subsequently purchased the McMurrain Farms Property and was assigned the Lease. The County, through an amendment, excluded 53.19 acres, making the acreage approximately 570.77 acres.

In August 2002, in accordance with an Interlocal Agreement (providing for the purchase of lands in the area known as the "Palm Beach County Agricultural Reserve Area") between the South Florida Water Management District (the "District") and Palm Beach County (the "County"), dated June 6, 2000, as amended, the District acquired from the County a 60.6% fee interest in the 570.77 acres of the McMurrain Property (the "Premises") and the County owns the remaining 39.4% .

II. OBJECTIVE

This is a 10-year land lease for approximately 570.77 acres for the purpose of row crop farming only, and approved incidental uses, which are directly related to farming of row crops. This will be a revenue lease to the District and County.

The District has 60.6% fee interest of the 570.77 acres of the leased land and Palm Beach County has 39.4% fee interest. The lease will be under the auspices of the District's Land Resource Bureau in order to provide onsite management and improve agricultural use of the property while employing Best Management Practices (BMPs).

III. LOCATION

The property is located on the west side of State Road 7 and east of the Loxahatchee National Wildlife Refuge, 1 mile north of West Atlantic Avenue in the Agricultural Reserve Area of Palm Beach County in Section 27, Township 43 South, Range 42 East and Section 13, Township 46 South, Range 41 East.

PARCEL	ACRES	FEE OWNER
W9100-176	570.77	SFWMD - 60.6%
		PALM BEACH COUNTY - 39.4%

IV. SCOPE OF WORK

The LESSEE shall perform the required management activities for the property described in this Statement of Work.

- 4.1 The LESSEE agrees that the activities on the Premises are for farming of row crops only, and approved incidental uses which are directly related to farming of row crops.

4.2 Best Management Practices (BMP) and Chemical Application Compliance

- 4.2.1 The LESSEE shall conduct the approved agricultural activities in accordance with all Florida Department of Agricultural and Consumer Services (FDACS) BMPs and state and federal regulations pertaining to the handling of chemicals for crop protection.
- 4.2.2 Onsite vegetable row crop operation shall be conducted in accordance with the State of Florida Department of Agriculture and Consumer Services (FDACS) Water Quality/Quantity Best Management Practices (BMP) for Florida's vegetable crops. A copy of the document can be accessed at:
http://www.floridaagwaterpolicy.com/PDF/Bmps/Bmp_VeggieAgroCrops2005.pdf
- 4.2.3 The use of raised bed plastic mulch cultivation systems with drip irrigation/fertilization tape is a preferred vegetable row crop method to reduce agro-chemicals, nutrients and irrigation requirements. The LESSEE is responsible to complete and execute the FDACS BMP notice of intent (NOI). The LESSEE shall implement as practical FDACS Integrated Pest Management (IPM) procedures.
- 4.2.4 The onsite use of pesticide shall be conducted in accordance with all federal state and local regulations and guidelines. The LESSEE or applicator shall have all required license or certifications. All agro-chemical application onsite shall be recorded and provided to the **DISTRICT and COUNTY** in an electronic format annually. The application records shall identify the location (field), chemical name, application rate and methods. The aerial application of agro-chemical is prohibited.
- 4.2.5 The LESSEE may only apply non-restrictive use agro-chemical onsite that have a half life of up to 3 months without prior approval of the **DISTRICT and COUNTY**. The application of these agro chemicals must be consistent with the manufactory label instruction. The LESSEE shall obtain a product chemical half life from the University Of Florida Institute Of Food and Agriculture Services (IFAS), or the Florida Department of Agriculture and Consumer Services (FDACS). In the event that multiple half life values are provided, an average half life value can be used. The average half life can be calculated by simply adding the half life values provided and then dividing by the total number of half life values provided.
- 4.2.6 The LESSEE is prohibited from using agricultural biological control agents on site without prior approval. The approval for the use of these control agents onsite would require a recommendation from IFAS. The provided recommendation should describe the type, quantity, application methods and monitoring procedures. The approval of these agents would be contingent on the **DISTRICT and COUNTY** concurrence with IFAS recommendation.
- 4.2.7 The application of agro-chemical products that contain heavy metals including but not limited to arsenic, cadmium, chromium copper, lead, mercury silver and zinc shall require prior **DISTRICT and COUNTY** approval. The **DISTRICT and COUNTY** approval of onsite agro-chemical heavy metal application would require the assessment of existing soil concentrations, proposed application rates, product toxicity, soil chemistry parameters and an assessment of the proposed calculated accumulation concentrations rates. In the event the LESSEE request prior approval for application of

agricultural heavy metals, a plan would need to be approved by both the US Fish & Wildlife Service and the **DISTRICT** and **COUNTY**.

- 4.2.8** The use or construction of permanent pesticide storage facilities on site is prohibited. Agro-chemicals proposed for onsite use shall be transported to the site on an as-needed basis. Agro-chemicals can be stored on site for no more than three days prior to site use. No permanent agro-chemical mix/load sites shall be constructed or utilized on site. In accordance with Florida Department of Agriculture and Consumers Services (FDACS) Best Management Practices (BMP), agro-chemicals shall be mixed in varying locations on the property. Surface water within or adjacent to the property is not an acceptable source of agro-chemical mix water. Mix water for onsite agro-chemical mixing shall be delivered by nursery tanks to the remote mixing areas. Nursery tanks shall not be used to transport mixed chemicals. Empty chemical containers on site must be transported offsite for re-use/recycling or disposal. The onsite burning of agro-chemicals containers, packaging materials or other non vegetative farm waste is prohibited.
- 4.2.9** Incidental spills or discharge of agro-chemical to the ground during the mix/load process onsite is the sole responsibility of the **LESSEE**. The **LESSEE** shall implement methods to mitigate chemicals spill thorough approved regulatory re-application methods or offsite re-use or disposal. The **DISTRICT** and **COUNTY** shall be notified immediately of spill or discharges of chemicals to the ground or surface water. It is the **LESSEE**'s responsibility to notify the appropriate regulatory agencies of all reportable incidences.
- 4.2.10** The long term storage of nutrient onsite site is prohibited. Nutrients that are approved for onsite application can be stored onsite for no more than 3 days. The **LESSEE** is responsible to have the necessary soil samples collected and analyzed to demonstrate the need for nutrient application. The collected soil samples shall be submitted to IFAS to obtain a recommendation on nutrient application. A copy of the IFAS nutrient recommendation application protocol shall be submitted to the **DISTRICT** and **COUNTY** for review and approval.
- 4.2.11** The use of underground storage tanks is prohibited. The use of above ground storage tanks (AST) on site requires prior **DISTRICT** and **COUNTY** approval. To obtain prior approval the **LESSEE** shall provide the **DISTRICT** and **COUNTY** with a plan detailing the proposed location, size and contents of each AST. The storage of waste oil and agro-chemical onsite within AST tanks is prohibited and will not be reviewed for approval. AST proposed for onsite storage of diesel fuels shall be equipped with secondary containment and meet the Florida Department of Environmental Protection (FDEP) above ground storage tanks rule within Florida Administrative Code AC 62-762 requirements. Diesel storage tanks less than 550 gallon will not be exempt from FAC 62-762 requirements.

4.3 Lease Access - Connection Construction

An alternate access site has been identified along the east side of the property at 26°28'46.97"N, 80°12'18.74"W where there is an existing turning lane and driveway leading into the property. The **LESSEE** will be responsible for constructing a connection between the driveway to the property (crossover and culvert); including all engineering and permits required to construct (see attached map).

V. DELIVERABLES

- Sales Tax is due at the rate of 6 percent on the total rent paid.
- Rent to be made upon the signing of the Lease by the **LESSEE**, and successive installments shall be due on the anniversary of the Effective date of the Lease each year thereafter, on a semi-annual basis.
- Construction of a connection between the driveway to the property (crossover and culvert; including all engineering and permits required to construct (see Attachment 1)

VI. PAYMENT

- The **LESSEE** is required to remit to the **DISTRICT** the semi-annual lease payment by the due date as stated on invoices. District shall be responsible for forwarding County's pro rata share of the annual Rent to County within thirty (30) days after **LESSEE** submits payment to the District. Based on farmed acreage, the County's pro rata share of the annual Rent shall be 39.40% of the total Rent.
- For the initial year of the Lease Term, rent will be established by the successful high bid. For the second through fifth year of the Lease Term, rent will be subject to annual adjustments based on the Consumer Price Index (CPI) for all Urban Consumers, or the appropriate Agricultural Commodity Index (ACI), for all other years of the term of the lease, as selected by the **LESSEE** prior to the initiation of the lease agreement. The sixth year of the Lease Term is subject to a new appraisal which will establish market rent for that year with the remaining years of the Lease Term subject to the current CPI or ACI adjustment.

VII. TERM

The period of performance of the Lease shall commence upon execution and extend ten (10) years in accordance with the **DISTRICT'S** Leasing Policy (Sec. 140-10-2.c.) unless terminated by some other provision in the Lease.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT LEASE

EXHIBIT "D" Payment Schedule

Effective as of July 1st the annual fee due by **LESSEE** to **LESSOR** under this **LEASE** shall be in the amount of Two Hundred Ninety Four Thousand Five Hundred Seventeen Dollars and Thirty Two Cents (\$294,517.32). Accordingly, **LESSEE** shall pay to the **LESSOR** rental, semi-annually for the period July 1, 2013 through December 31, 2013 in the amount of One Hundred Forty Seven Thousand Two Hundred Fifty Eight Dollars and Sixty Six Cents (\$147,258.66), plus all applicable sales and use tax, due upon execution of this **LEASE**, and January 1, 2014 through June 30, 2014 in the amount of One Hundred Forty Seven Thousand Two Hundred Fifty Eight Dollars and Sixty Six Cents (\$147,258.66), plus all applicable sales and use tax, and successive installments shall be subject to the current fair market rate annual increase for all subsequent years as determined by the **LESSOR**, and shall be adjusted annually on the anniversary of the Effective date of the **LEASE** each year thereafter based on the Consumer Price Index (CPI) or Agricultural Commodity Index (ACI). **LESSEE** shall elect which adjustment upon **LEASE** commencement and the selected adjustment method shall remain in effect through the Lease Term.

EXHIBIT "H"

INSURANCE REQUIREMENTS

In accordance with Article 6 of this **CONTRACT**, the information listed in this Exhibit "H" defines the various types and limits of insurance the **CONTRACTING PARTY** is required to maintain during performance of work identified under the applicable Statement of Work for the term of this **CONTRACT**.

Unless otherwise specified, the **DISTRICT** and **PALM BEACH COUNTY** shall be named and included as an additional insured under all required insurance policies, excluding workers' compensation and professional liability. The **DISTRICT** and **PALM BEACH COUNTY** shall also be identified as the certificate holder on all certificates of insurance. The general liability, automobile liability and all other coverages, as appropriate, shall be no more restrictive than the latest editions of the Insurance Services Office (ISO).

Each line of coverage and specific endorsements are the types of insurance required. The minimum limit of insurance required is also identified. The limit is "per occurrence", combined single limit for personal injury, bodily injury and property damage. The **DISTRICT** and **PALM BEACH COUNTY** may require a separate project aggregate depending on the type of work being performed. The applicable Contract Number and designated Contract Administrator identified on the cover page of this **CONTRACT** shall also be specified on the Certificate.

South Florida Water Management District and Palm Beach County are to be named as Additional Insured for General Liability and Auto Liability Coverage. When the contract requires aircraft and/or environmental Impairment Liability, the South Florida Water Management District and Palm Beach County are to be named as an Additional Insured for those items also.

GENERAL LIABILITY	\$5,000,000
COMPREHENSIVE FORM	
OCCURRENCE FORM	
PREMISES / OPERATIONS	
DELETE XCU EXCLUSION	
PRODUCTS / COMPLETED	
CONTRACTUAL	
INDEPENDENT CONTRACTORS	
BROAD FORM PROPERTY	
PERSONAL INJURY	
BLASTING	
DEMOLITION	
WATERCRAFT	
POLLUTION	
 AUTOMOBILE LIABILITY	
ANY AUTO	\$1,000,000
OWNED	
NON-OWNED	
 WORKERS COMPENSATION AND EMPLOYER'S LIABILITY *	
Coverage:	Statutory
Limit:	\$100,000 each accident
	\$100,000 disease-each employee
	\$500,000 disease policy limit
 ENVIRONMENTAL IMPAIRMENT LIABILITY	\$500,000

The attached Certificate of Insurance Form is preferable to the District, however the Acord Form is acceptable.

* A State certification must be presented to document an exemption to the Workers Compensation requirement.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

CERTIFICATION OF INSURANCE		<u>Agent/Broker</u>		<u>Insured</u>		
		Name: _____ Address: _____		Name: _____ Address: _____		
		Telephone: _____ EMAIL: _____ FAX: _____		Telephone: _____ EMAIL: _____ FAX: _____		
		Agent/Broker Certification:				
		Should any of the coverage listed herein be terminated or otherwise modified, the Agent/Broker shall notify the certificate holder identified below by certified mail at least 30 days prior to the effective date of termination or modification, or as soon as possible thereafter.				
		I herein certify that I am duly licensed agent authorized to broker insurance in the State of Florida.				
		_____ Agent/Broker Signature		_____ Date		
A	General Liability (Place check to the left of the coverage provided)		Policy Limits		Carrier information	
	<input type="checkbox"/> Comprehensive Form		Bodily Injury & Property Damage \$ _____ Combined Limit		Company A	
	<input type="checkbox"/> Occurrence form				Name _____	
	<input type="checkbox"/> Premises Operations				Policy No. _____	
	<input type="checkbox"/> Delete XCU Exclusion				Effective Date _____ Termination date _____	
	<input type="checkbox"/> Products Completed				_____ / _____ / _____	
	<input type="checkbox"/> Contractual				Company B	
	<input type="checkbox"/> Independent Contractors				Name _____	
	<input type="checkbox"/> Broad Form Property				Policy No. _____	
	<input type="checkbox"/> Personal Injury				Effective Date _____ Termination date _____	
<input type="checkbox"/> Blasting		_____ / _____ / _____				
<input type="checkbox"/> Demolition		Bodily Injury & Property Damage \$ _____ Combined Limit		Company C		
<input type="checkbox"/> Watercraft				Name _____		
<input type="checkbox"/> Pollution				Policy No. _____		
				Effective Date _____ Termination date _____		
				_____ / _____ / _____		
Automobile Liability				Company D		
<input type="checkbox"/> Any Auto				Name _____		
<input type="checkbox"/> Owned				Policy No. _____		
<input type="checkbox"/> Non - Owned				Effective Date _____ Termination date _____		
				_____ / _____ / _____		
Workers' Compensation and Employer's Liability		Company E				
		Name _____				
		Policy No. _____				
		Effective Date _____ Termination date _____				
		_____ / _____ / _____				
Builder's Risk/Installation Floater		Company F				
		Name _____				
		Policy No. _____				
		Effective Date _____ Termination date _____				
		_____ / _____ / _____				
Aircraft Liability		Company G				
		Name _____				
		Policy No. _____				
		Effective Date _____ Termination date _____				
		_____ / _____ / _____				
Environmental Impairment Liability		Company G				
		Name _____				
		Policy No. _____				
		Effective Date _____ Termination date _____				
		_____ / _____ / _____				
Certificate Holder:		Additional Insured:		Contractual Only		
South Florida Water Management District 3301 Gun Club Road West Palm Beach, FL 33406		The South Florida Water Management District is named <u>additional insured</u> under the General and Auto liability policies identified herein.		Compliance with Contractual Insurance Requirements reviewed by: _____		
				Initials _____ Date _____		

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



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/05/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

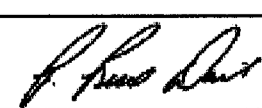
PRODUCER MCGRIFF, SEIBELS & WILLIAMS OF GEORGIA, INC. 5605 Glenridge Drive - Suite 300 Atlanta, GA 30342	CONTACT NAME: PHONE (A/C, No, Ext): 404 497-7500 FAX (A/C, No): E-MAIL ADDRESS:														
	<table border="1"> <thead> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A :Charter Oak Fire Ins Co</td> <td></td> </tr> <tr> <td>INSURER B :Travelers Property Casualty Company of America</td> <td>25674</td> </tr> <tr> <td>INSURER C :</td> <td></td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A :Charter Oak Fire Ins Co		INSURER B :Travelers Property Casualty Company of America	25674	INSURER C :		INSURER D :		INSURER E :		INSURER F :
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A :Charter Oak Fire Ins Co															
INSURER B :Travelers Property Casualty Company of America	25674														
INSURER C :															
INSURER D :															
INSURER E :															
INSURER F :															
INSURED Pero Family Farms Food Company, LLC Pero Vegetable Co., LLC Pero Family Farms, LLC 14095 State Road 7 Delray Beach, FL 33446															

COVERAGES **CERTIFICATE NUMBER:**XFASH35T **REVISION NUMBER:**

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		X	6304692N816COF13	05/01/2013	05/01/2014	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS Comp/Coll Ded - \$1,000		X	8104692N816COF13	05/01/2013	05/01/2014	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		X	CUO469N816TIL13	05/01/2013	05/01/2014	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				\$ \$ \$ \$ \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Palm Beach County is included as Additional Insured for General Liability, Automobile Liability and Excess Liability, as required by written contract. In the event of cancellation by the insurance company(ies) the policy(ies) has been endorsed to provide (90) days Notice of Cancellation (except for non-payment).

CERTIFICATE HOLDER Palm Beach County BOCC Property & Real Estate Management Att: Director 2633 Vista Parkway West Palm Beach, FL 33411-5605	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 



PEROFAM-02 IRELANDK

CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
3/26/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).


PRODUCER Insurance Office of America - JUP Abacoa Town Center 1200 University Blvd, Suite 200 Jupiter, FL 33458	CONTACT NAME: Karen Ireland PHONE (A/C, No, Ext): (561) 776-0660 FAX (A/C, No): (561) 776-0670 E-MAIL ADDRESS: Karen.Ireland@ioausa.com
	INSURER(S) AFFORDING COVERAGE
INSURED Pero Family Farms Food Co. LLC Pero Family Farms LLC 14095 State Road 7 Delray Beach, FL 33446	INSURER A: FCCI Insurance Company
	INSURER B:
	INSURER C:
	INSURER D:
	INSURER E:
	INSURER F:

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	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						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	001WC12A67658	12/22/2012	12/22/2013	WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ 500,000 E.L. DISEASE - EA EMPLOYEE \$ 500,000 E.L. DISEASE - POLICY LIMIT \$ 500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER Palm Beach County Attn: Director, Property & Real Estate Management Division 2633 Vista Parkway West Palm Beach, FL 33411-5605	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	--

© 1988-2010 ACORD CORPORATION. All rights reserved.



PEROFAM-02 BROOKSD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
5/17/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Insurance Office of America - JUP Abacoa Town Center 1200 University Blvd, Suite 200 Jupiter, FL 33458	CONTACT NAME: Karen Ireland PHONE (A/C, No, Ext): (561) 776-0660 FAX (A/C, No): (561) 776-0670 E-MAIL ADDRESS: Karen.Ireland@ioausa.com	
	INSURER(S) AFFORDING COVERAGE	
INSURED Pero Family Farms Food Co. LLC Pero Family Farms LLC 14095 State Road 7 Delray Beach, FL 33446	INSURER A: Chartis Property Casualty Company NAIC # 19402	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			TBD051413	5/14/2013	5/14/2015	EACH OCCURRENCE \$ 20,000,000
	<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$
	<input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR						MED EXP (Any one person) \$
	<input checked="" type="checkbox"/> Impairment Legal Lia						PERSONAL & ADV INJURY \$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 20,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (PER ACCIDENT) \$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					EACH OCCURRENCE \$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$
	DED	RETENTION \$					\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS \$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input type="checkbox"/> N	N/A				OTHER \$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Environment Impairment Legal Liability Coverage for McMurray Farms, Delray Beach FL
Retro Date: 05/14/1997

CERTIFICATE HOLDER Palm Beach County Property & Real Estate Management Attn: Director 2633 Vista Parkway West Palm Beach, FL 33411	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

EXHIBIT "I"
COMMON LAW PERFORMANCE BOND

BY THIS BOND, know that _____ as Principal, herewith called LESSEE,
 Business Address _____, Business Phone _____, and _____, as
 _____, hereinafter called SURETY, Surety Address _____,
 Surety Phone Number _____, are bound to South Florida Water Management District and Palm Beach County, as Obligees,
 herein called LESSOR, in the amount of One Hundred Forty Seven Thousand Two Hundred Fifty Eight Dollars and Sixty Six Cents
 (\$147,258.66) for payment of which LESSEE and SURETY bind themselves, their heirs, personal representatives, executors,
 administrators, successors and assigns, jointly and severally, with reference to a written LEASE entered into by LESSEE and LESSOR, for
 the following:

Lease Number: 4600002862
 Contract Title: Lease for Row Crop Farming Palm Beach County, Florida
 General Description of Project: A land lease for approximately 570.77 +/- acres for row crop farming in lying in portions of Section(s)
 13 & 27, Township 43 & 46 South, Range 41 & 42 East, Palm Beach County, Florida.

THE CONDITION OF THIS BOND is that if the LESSEE:

1. Performs said contract in accordance with its terms and conditions; and
 2. Pays LESSOR all losses, damages (direct and consequential including delay and liquidated damages), expenses, costs, and attorney's fees, including appellate proceedings, that LESSOR sustains because of a default by LESSEE under the LEASE; and
 3. Pays LESSOR any and all other amounts due LESSOR by LESSEE because of a default by LESSEE under the LEASE; and
- THEN THIS BOND IS VOID, OTHERWISE, IT REMAINS IN FULL FORCE.

Any changes in or under the LEASE and compliance or noncompliance with formalities, connected with the LEASE or with the changes, do not affect the Surety's obligation under this bond. Surety hereby waives notice of any alteration or extension of time made by the Owner. Any suit under this bond must be initiated before the expiration of the limitation period applicable to common law bonds under Florida Statutes.

IN WITNESS WHEREOF, this instrument is executed this ____ day of _____, 19____.

Legal Form Approved:

WHEN THE PRINCIPAL IS AN INDIVIDUAL:
 Signed, sealed and delivered in the presence of:

By: _____ By: _____
 (Witness) Individual Principal

WHEN THE PRINCIPAL OPERATES UNDER A TRADE NAME:
 Signed, sealed and delivered in the presence of:

By: _____ By: _____
 (Witness) Signature of Individual

By: _____
 (Witness)

Pero Family Farms, LLC
14095 State Road 7
Delray Beach, Florida 33446

April 15, 2013

VIA RFB Submittal

South Florida Water Management District
Attn: Procurement Bureau
B-1 Building, 2nd Floor West
3301 Gun Club Road
West Palm Beach, FL 33406
Attn: Linda Greer, Sr. and Ross Hering

RE: South Florida Water Management District (the "Lessor") Request For Bids Number 600000569 dated March 25, 2013 (the "RFB") [ALL INITIAL CAPITALIZED TERMS USED IN THIS LETTER SHALL HAVE THE SAME MEANING AS SET FORTH IN THE RFB UNLESS OTHERWISE PROVIDED HEREIN]

Dear Ms. Greer and Mr. Hering:

Pursuant to Tab B, Section 1, Clause (3) of the RFB, please accept this letter as confirmation that the undersigned Respondent will deliver to Lessor, upon execution of the lease attached to the RFB, funds equal to the previous year's tax bill plus an amount equal to six (6) months of the annual Rent, as a security deposit. The undersigned is authorized to execute and deliver this letter on behalf of Respondent.

Sincerely,

Pero Family Farms, LLC

By:

Name: Peter F. Pero IV

Title: CEO

Exhibit "J"
Disclosure of Beneficial Interests

EXHIBIT "J"
TENANT'S DISCLOSURE OF BENEFICIAL INTERESTS

TO: PALM BEACH COUNTY CHIEF OFFICER, OR HIS OR HER OFFICIALLY DESIGNATED REPRESENTATIVE

STATE OF FLORIDA
COUNTY OF PALM BEACH

BEFORE ME, the undersigned authority, this day personally appeared Angela Pero, hereinafter referred to as "Affiant", who being by me first duly sworn, under oath, deposes and states as follows:

1. Affiant is the President (position - i.e. president, partner, trustee) of Pero Family Farms, LLC (name and type of entity - i.e. ABC Corporation, XYZ Limited Partnership), (the "Tenant") which entity is the lessee of the real property legally described on the attached Exhibit "A" (the "Property").

2. Affiant's address is: 14095 State Road 7, Delray Beach Florida, 33446

3. Attached hereto, and made a part hereof, as Exhibit "B" is a complete listing of the names and addresses of every person or entity having a five percent (5%) or greater beneficial interest in the Tenant and the percentage interest of each such person or entity.

4. Affiant further states that Affiant is familiar with the nature of an oath and with the penalties provided by the laws of the State of Florida for falsely swearing to statements under oath.

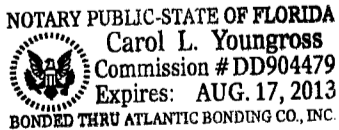
5. Under penalty of perjury, Affiant declares that Affiant has examined this Affidavit and to the best of Affiant's knowledge and belief it is true, correct, and complete, and will be relied upon by Palm Beach County relating to its lease of the Property.

FURTHER AFFIANT SAYETH NAUGHT.

[Signature], Affiant

Print Affiant Name: Angela Pero

The foregoing instrument was sworn to, subscribed and acknowledged before me this 21 day of May, 2013, by Angela Pero [] who is personally known to me or [] who has produced _____ as identification and who did take an oath.



[Signature]
Notary Public

Carol L. Youngross
(Print Notary Name)

NOTARY PUBLIC
State of Florida at Large
My Commission Expires: _____

EXHIBIT "A" to EXHIBIT "J"

PROPERTY

Tract No. W9-100-085

Lands being comprised of all or portions thereof of Tracts 1 through 38 inclusive, and Tracts 40 through 54 inclusive, Block 65, "The Palm Beach Farms Co. Plat No. 3", according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54, inclusive, of the Public Records of Palm Beach County, Florida, together with a portion of Section 13, Township 46 South, Range 41 East, Palm Beach County, Florida, being more particularly described in the following five (5) parcels:

Parcel No. 1:

Commencing at the Northeast corner of Section 12, Township 46 South, Range 41 East, said corner also being the Northeast corner of Block 65 of said Palm Beach Farms Co. Plat No. 3; thence, South 01°01'00" East, along the East line of said Section 12 and Block 65, a distance of 71.94 feet; thence South 88°59'00" West, departing said East line, a distance of 232.37 feet to a point on the West Right-of-Way line for State Road No. 7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation Right-of-Way Map, Section 93210-2524, Sheets 6 through 10 (last revision date 11-02-99, 2-5-98, 11-2-99, 2-5-98, and 2-5-98, respectively), and as described in the Order of Taking recorded in Official Records Book 10644, Page 353 of the Public Records of Palm Beach County, Florida, said point also being the POINT OF BEGINNING of Parcel 1; thence South 89°51'07" West, along a line 30.36 feet South of and parallel with (as measured at right angles) the North line of Tracts 1 and 2, Block 65, a distance of 1113.22 feet to a point on the West line of Tract 2, Block 65; thence North 00°02'29" West, along the West line of said Tract 2, a distance of 0.66 feet; thence South 89°51'07" West, along a line 29.70 feet South of and parallel with (as measured at right angles) the North line of Tract 3, Block 65, a distance of 660.05 feet to a point on the West line of said Tract 3; thence South 00°02'16" East, along the West line of said Tract 3, a distance of 4.62 feet; thence South 89°51'07" West, along a line 34.32 feet South of and parallel with (as measured at right angles) the North line of Tract 4, Block 65, a distance of 675.05 feet to the centerline of a 30 foot wide Roadway according to said plat of Palm Beach Farms Co. Plat No. 3; thence South 00°02'03" East, along said centerline a distance of 30.85 feet; thence South 89°37'57" West, along a line 100.00 feet South of and parallel with (as measured at right angles) the North line of said Section 12 and the North line of said Block 65, a distance of 2489.54 feet; thence South 00°33'24" East, along a line 100.00 feet East of and parallel with (as measured at right angles) the West line of said Section 12 and the West line of said Block 65, a distance of 585.48 feet to a point on the South line of Tract 7, Block 65; thence North 89°57'53" East, along the South line of said Tract 7, a distance of 75.00 feet; thence South 00°33'24" East, along a line 150.00 feet East of and parallel with (as measured at right angles) the West line of Tract 8, Block 65, a distance of 675.04 feet to the centerline of a 30 foot wide roadway according to said plat of Palm Beach Farms Co. Plat No. 3; thence South 89°57'52" West, along said centerline, a distance of 105.12 feet; thence South 00°33'24" East, along a line 44.88 feet East of and parallel with (as measured at right angles) the West line of Tracts 21 and 22, Block 65, a distance of 1335.66 feet to a point on the South line of said of said Tract 22, thence, North 89°57'23" East, along the South line of Tracts 22 through 28, inclusive, a distance of 4991.30 feet to a point in the aforementioned West Right-of-Way for State Road No.7 (U.S. Highway 441); thence North 01°03'04" West, along said West Right-of-Way, a distance of 2649.82 feet to the POINT OF BEGINNING.

Less and excepting from Parcel 1 the East 1/2 of Tract 2, Block 65 of Palm Beach Farms Co. Plat No.3, according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54, inclusive, of the Public Records of Palm Beach County, Florida.

Together with Parcel 2:

Commencing at the Northeast corner of Section 12, Township 46 South, Range 41 East, said corner also being the Northeast corner of Block 65 of said Palm Beach Farms Co. Plat No. 3; thence South $01^{\circ}01'00''$ East, along the East line of said Section 12 and Block 65, a distance of 2796.87 feet; thence South $88^{\circ}59'00''$ West, departing said East line, a distance of 230.73 feet to a point on the West Right-of-Way line for State Road No.7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation Right-of-Way Map, Section 93210-2524, sheets 6 through 10 (last revision date 11-02-99, 2-5-98, 11-2-99, 2-5-98, and 2-5-98, respectively), and as described in the order of taking recorded in Official Records Book 10644, Page 353 of the Public Records of Palm Beach County Florida, said point also being the POINT OF BEGINNING of Parcel 2; thence South $89^{\circ}57'23''$ West, along a line 45.10 feet South of and parallel with (as measured at right angles) the North line of Tract 29, Block 65, a distance of 501.01 feet to a point on the West line of said Tract 29; thence North $00^{\circ}02'42''$ West, along the West line of said Tract 29, a distance of 1.54 feet; thence South $89^{\circ}57'23''$ West, along a line 43.56 feet South of and parallel with (as measured at right angles) the North line of Tract 30, Block 65, a distance of 660.22 feet to a point on the West line of said Tract 30; thence North $00^{\circ}02'57''$ West, along the West line of said Tract 30, a distance of 3.30 feet; thence South $89^{\circ}57'23''$ West, along a line 40.26 feet South of and parallel with (as measured at right angles) the North line of Tracts 31, 32, 33, and 34, Block 65, a distance of 2670.90 feet, to a point on the West line of said Tract 34; thence North $00^{\circ}01'36''$ West, along the West line of said Tract 34, a distance of 0.50 feet; thence South $89^{\circ}57'23''$ West, along a line 39.76 feet South of and parallel with (as measured at right angles) the North line of Tract 35, Block 65, a distance of 1154.58 feet; thence South $00^{\circ}33'24''$ East, along a line that is 50.16 feet East of and parallel with (as measured at right angles) the West line of Tracts 35, 36, 49, and 50, Block 65, a distance of 2500.61 feet; thence North $89^{\circ}44'03''$ East, along a line 100.00 feet North of and parallel with (as measured at right angles) the South line of Tracts 50, 51, and 52, Block 65, a distance of 2467.25 feet to a point on the centerline of a 30 foot wide roadway according to said plat of Palm Beach Farms Co. Plat No.3; thence South $00^{\circ}02'03''$ East, along said centerline, a distance of 69.64 feet; thence North $89^{\circ}44'03''$ East, along a line 30.36 feet North of and parallel with (as measured at right angles) the South line of Tracts 53 and 54, Block 65, a distance of 1335.79 feet to a point on the East line of said Tract 54; thence North $00^{\circ}02'29''$ West, along said East line of Tract 54, a distance of 585.05 feet to the Southwest corner of Tract 44, Block 65; thence North $89^{\circ}56'39''$ East, along the South line of said Tract 44 and the South line of Tract 43, Block 65, a distance of 1195.87 feet to a point in the aforementioned West Right-of-Way for State Road No.7 (U. S. Highway 441); thence North $01^{\circ}03'04''$ West, along said West Right-of-Way, a distance of 1965.05 feet to the POINT OF BEGINNING.

Less and excepting the following described lands from parcel 2

Commencing at the Northeast corner of Section 12, Township 46 South, Range 41 East, said corner also being the Northeast corner of Block 65 of said Palm Beach Farms Plat No. 3; thence South $01^{\circ}01'00''$ East, along the East line of said Section 12 and Block 65, a distance of 3415.72 feet; thence South $89^{\circ}57'09''$ West, departing said East line, a distance of 2062.73 feet to the Northeast corner of Tract 39, said corner also being the POINT OF BEGINNING; thence continue South $89^{\circ}57'09''$ West, along the North line of said Tract 39, Block 65 and the Westerly prolongation thereof, a distance of 675.26 feet to a point on the centerline of a 30 foot wide roadway according to said Plat of Palm Beach Farms Co. No. 3; thence South $00^{\circ}02'03''$ East, along said centerline, said centerline also being 15 feet West of and parallel with (as measured at right angles) the West line of said Tract 39, a distance of 675.13 feet to the centerline of a 30 foot wide roadway according to said Plat of Palm Beach Farms Co. No. 3; thence North $89^{\circ}56'54''$ East, along said centerline, said centerline also being 15 feet South of and parallel with (as measured at right angles) the South line of said Tract 39, a distance of 675.31 feet; thence North

00°02'16" West, along the East line of said Tract 39 and the Southerly prolongation thereof, a distance of 675.08 feet to the POINT OF BEGINNING.

Also together with Parcel 3:

Commencing at the Northeast corner of Section 13, Township 46 South, Range 41 East, said corner also being the Southeast corner of Block 65 of said Palm Beach Farms Co. Plat No. 3; thence South 89°44'03" West, along the North line of said Section 13 and the South line of Block 65, a distance of 1436.27 feet; thence departing said line South 00°02'29" East, along the Southerly prolongation of the West line of Tract 55, Block 65, a distance of 3.96 feet to the POINT OF BEGINNING; thence continue South 00°02'29" East, along said prolongation of Tract 55, a distance of 677.89 feet to a point on the South line of the North half of the North half of the Northeast quarter of said Section 13; thence South 89°37'30" West, along said line, a distance of 1209.09 feet to a point on the West line of the Northeast quarter of said Section 13; thence South 89°37'30" West, along the South line of the North quarter of the Northwest quarter of said Section 13, a distance of 2653.96 feet to a point on the West line of said Section 13; thence North 01°12'33" West, along the West line of said Section 13 a distance of 589.29 feet; thence North 89°44'03" East, along a line 100.00 feet South of and parallel with (as measured at right angles) the North line of said Section 13, a distance of 2656.28 feet to a point on the East line of the Northwest quarter of said Section 13; thence North 00°59'20" West, along said line, a distance of 96.05 feet; thence North 89°44'03" East, along a line 3.96 feet South of and parallel with (as measured at right angles) the North line of said Section 13, a distance of 1220.33 feet to the POINT OF BEGINNING.

Together with parcel 4:

A strip of land lying within a portion of Tracts 29 through 35 inclusive, Block 65, Palm Beach Farms Co. Plat No. 3, said strip also lying within a portion of Section 12, Township 46 South, Range 41 East, Palm Beach County, Florida being more particularly described as follows:

Commencing at the Northeast corner of said Section 12, said corner also being the Northeast corner of said Block 65; thence South 01°01'00" East, along the East line of said Section 12 and the East line of said Block 65, a distance of 2,796.87 feet; thence departing said line, South 88°59'00" West, a distance of 230.73 feet to a point on the Westerly Right-of-Way line for State Road No. 7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation Right-of-Way Map, Section 93210-2524 and as described in the order of taking in Official Record Book 10644, Page 353 of the Public Records of Palm Beach County, Florida, said point also being the POINT OF BEGINNING; thence South 89°57'23" West, along a line 45.10 feet South of and parallel with (as measured at right angles) the North line of said Tract 29, a distance of 501.01 feet; thence North 00°02'42" West, along the West line of said Tract 29, a distance of 1.54 feet to a point on a line 43.56 feet South of and parallel with (as measured at right angles) the North line of said Tract 30; thence South 89°57'23" West, along said line, a distance of 660.22 feet; thence North 00°02'57" West, along the West line of said Tract 30, a distance of 3.30 feet; thence South 89°57'23" West, along a line 40.26 feet South of and parallel with (as measured at right angles) the North line of said Tracts 31 through 34 inclusive, a distance of 2,670.90 feet; thence North 00°01'36" West, along the West line of said Tract 34, a distance of 0.50 feet; thence South 89°57'23" West, along a line 39.76 feet South of and parallel with (as measured at right angles) the North line of said Tract 35, a distance of 1,154.58 feet to a point on the Easterly Right-of-Way line of Lake Worth drainage District E-1W-N Canal, said point being 50.16 feet East of and parallel with (As measured at right angles) the West line of said Tract 35; thence North 04°52'55" West, a distance of 70.01 feet to a point on the South line of Tract 22, said point being 44.88 feet East of and parallel with (as measured at right angles) the West line of said Tract 22; thence North 89°57'23" East, along the South line of said

Tracts 22 through 28 inclusive, said line also being the North line of a platted 30 foot roadway as shown on said plat of Palm Beach Farms Co. Plat No. 3, a distance of 4,991.30 feet to a point in the aforementioned Westerly Right-of-Way line for State Road No.7 (U.S. Highway 441); thence South 01°03'04" East, along said Westerly Right-of-Way line, a distance of 75.11 feet to the POINT OF BEGINNING.

And

Together with parcel 5:

A parcel of land lying within a portion of Tract 2, Block 65 Palm Beach Farms Co. Plat No. 3 according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54 inclusive of the Public Records of Palm Beach County, Florida, said parcel also lying within Section 12, Township 46 South, Range 41 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Northeast corner of said Section 12, said corner also being the Northeast corner of said Block 65; thence South 89°37'57" West, along the North line of said Section 12 and the North line of said Block 65, a distance of 684.29 feet; thence departing said North line, South 00°02'42" East, along the Northerly prolongation of the East line of said Tract 2, Block 65, Palm Beach Farms Co. Plat No. 3, a distance of 72.83 feet to a point on a line lying 30.36 feet South of and parallel with (as measured at right angles) the North line of said Tract 2, said point also being the POINT OF BEGINNING, thence continue South 00°02'42" East, along said East line, a distance of 638.63 feet to the Southeast corner of said Tract 2; thence South 89°57'53" West, along the South line of said Tract 2, a distance of 330.05 feet; thence North 00°02'36" West, departing said South line, a distance of 637.98 feet to a point on aforesaid parallel line; thence North 89°51'07" East, along said parallel line, a distance of 330.03 feet to the POINT OF BEGINNING.

(legal continued on next page)

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

A parcel of land lying within all of Tracts 41 and 44 and a portion of Tracts 29, 30, 42, and 43, of Block 65 Palm Beach Farms Co. Plat No.3 according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54 inclusive of the Public Records of Palm Beach County, Florida, said parcel also lying within Section 12, Township 46 South, Range 41 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Northeast corner of said Section 12; thence South 01°01'00" East, as a basis of bearings, along the East line of said Block 65 said line also being the East line of said Section 12, a distance of 2,796.87 feet; thence departing said East line South 88°59'00" West, a distance of 230.73 feet to the POINT OF BEGINNING; thence South 01°03'04" East, along the West Right-of-Way line for State Road No.7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation right of Right-of-Way Map Section 93210-2524 and as described in the order of taking recorded in Official Record Book 10644, Page 353, Palm Beach County Records, a distance of 1,965.05 feet; thence South 89°56'39" West, along the South line of said Tracts 43 and 44 of Block 65 Palm Beach Farms Co. Plat No. 3, a distance of 1,195.87 feet to the Southwest corner of said Tract 44; thence North 00°02'29" West, along the West line of said Tracts 44, 41, and 30 of Block 65 Palm Beach Farms Co. Plat No. 3 a distance of 1,966.54 feet; thence North 89°57'23" East, a distance of 660.22 feet; thence South 00°02'42" East, a distance of 1.54 feet; thence North 89°57'23" East, a distance of 501.01 feet to the POINT OF BEGINNING.

Said Lands situate, lying and being in Palm Beach County, Florida

Containing a total of 570.772 acres, more or less.

This legal description and acreage are based on a boundary survey prepared by provided by Dennis J. Leavy PSM #5055 of Dennis J. Leavy & Associates, for use by the South Florida Water Management District.

ECBMcMurrain Farms, Ltd.
ORB: 8124, Pg. 19
ORB: 9106, Pg. 1269
Folio: 00424327050650010
Folio: 00424327050650051
Folio: 00424327050650160
Folio: 00424327050653030
Folio: 00424327050651030

R:\legals\ecb\100-085.lgl
March 4, 1999
Revised: March 2, 2000
Revised: April 10, 2000
Revised: August 29, 2002

Legal Description

J. L. B.

MAR 11 2002

EXHIBIT "B" TO EXHIBIT "J"

**SCHEDULE TO BENEFICIAL
INTERESTS IN PROPERTY**

Tenant is only required to identify five percent (5%) or greater beneficial interest holders. If none, so state. Tenant must identify individual owners. If, by way of example, Tenant is wholly or partially owned by another entity, such as a corporation, Tenant must identify such other entity, its address and percentage interest, as well as such information for the individual owners of such other entity.

NAME	ADDRESS	PERCENTAGE OF INTEREST
------	---------	---------------------------

Peter F. Pero II	14095 Stark Rd 7 Deeray Beach, FL 33446	31%
Frank Pero	14095 Stark Rd 7 Deeray Beach, FL 33446	23%
Charles Pero	14095 Stark Rd 7 Deeray Beach, FL 33446	23%
Angela Pero	14095 Stark Rd 7 Deeray Beach, FL 33446	23%

EXHIBIT "L"

Lease Security

In accordance with Exhibit "B", Article 6, the amount of the Surety Bond or Security shall be in an amount of One Hundred Forty Seven Thousand Two Hundred Fifty Eight Dollars and Sixty Six Cents (\$147,258.66).

EXHIBIT "M"
LEGAL DESCRIPTION

Tract No. W9-100-085

Lands being comprised of all or portions thereof of Tracts 1 through 38 inclusive, and Tracts 40 through 54 inclusive, Block 65, "The Palm Beach Farms Co. Plat No. 3", according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54, inclusive, of the Public Records of Palm Beach County, Florida, together with a portion of Section 13, Township 46 South, Range 41 East, Palm Beach County, Florida, being more particularly described in the following five (5) parcels:

Parcel No. 1:

Commencing at the Northeast corner of Section 12, Township 46 South, Range 41 East, said corner also being the Northeast corner of Block 65 of said Palm Beach Farms Co. Plat No. 3; thence, South $01^{\circ}01'00''$ East, along the East line of said Section 12 and Block 65, a distance of 71.94 feet; thence South $88^{\circ}59'00''$ West, departing said East line, a distance of 232.37 feet to a point on the West Right-of-Way line for State Road No. 7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation Right-of-Way Map, Section 93210-2524, Sheets 6 through 10 (last revision date 11-02-99, 2-5-98, 11-2-99, 2-5-98, and 2-5-98, respectively), and as described in the Order of Taking recorded in Official Records Book 10644, Page 353 of the Public Records of Palm Beach County, Florida, said point also being the POINT OF BEGINNING of Parcel 1; thence South $89^{\circ}51'07''$ West, along a line 30.36 feet South of and parallel with (as measured at right angles) the North line of Tracts 1 and 2, Block 65, a distance of 1113.22 feet to a point on the West line of Tract 2, Block 65; thence North $00^{\circ}02'29''$ West, along the West line of said Tract 2, a distance of 0.66 feet; thence South $89^{\circ}51'07''$ West, along a line 29.70 feet South of and parallel with (as measured at right angles) the North line of Tract 3, Block 65, a distance of 660.05 feet to a point on the West line of said Tract 3; thence South $00^{\circ}02'16''$ East, along the West line of said Tract 3, a distance of 4.62 feet; thence South $89^{\circ}51'07''$ West, along a line 34.32 feet South of and parallel with (as measured at right angles) the North line of Tract 4, Block 65, a distance of 675.05 feet to the centerline of a 30 foot wide Roadway according to said plat of Palm Beach Farms Co. Plat No. 3; thence South $00^{\circ}02'03''$ East, along said centerline a distance of 30.85 feet; thence South $89^{\circ}37'57''$ West, along a line 100.00 feet South of and parallel with (as measured at right angles) the North line of said Section 12 and the North line of said Block 65, a distance of 2489.54 feet; thence South $00^{\circ}33'24''$ East, along a line 100.00 feet East of and parallel with (as measured at right angles) the West line of said Section 12 and the West line of said Block 65, a distance of 585.48 feet to a point on the South line of Tract 7, Block 65; thence North $89^{\circ}57'53''$ East, along the South line of said Tract 7, a distance of 75.00 feet; thence South $00^{\circ}33'24''$ East, along a line 150.00 feet East of and parallel with (as measured at right angles) the West line of Tract 8, Block 65, a distance of 675.04 feet to the centerline of a 30 foot wide roadway according to said plat of Palm Beach Farms Co. Plat No. 3; thence South $89^{\circ}57'52''$ West, along said centerline, a distance of 105.12 feet; thence South $00^{\circ}33'24''$ East, along a line 44.88 feet East of and parallel with (as measured at right angles) the West line of Tracts 21 and 22, Block 65, a distance of 1335.66 feet to a point on the South line of said said Tract 22, thence, North $89^{\circ}57'23''$ East, along the South line of Tracts 22 through 28, inclusive, a distance of 4991.30 feet to a point in the aforementioned West Right-of-Way for State Road No.7 (U.S. Highway 441); thence North $01^{\circ}03'04''$ West, along said West Right-of-Way, a distance of 2649.82 feet to the POINT OF BEGINNING.

Less and excepting from Parcel 1 the East 1/2 of Tract 2, Block 65 of Palm Beach Farms Co. Plat No.3, according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54, inclusive, of the Public Records of Palm Beach County, Florida.

Together with Parcel 2:

Commencing at the Northeast corner of Section 12, Township 46 South, Range 41 East, said corner also being the Northeast corner of Block 65 of said Palm Beach Farms Co. Plat No. 3; thence South $01^{\circ}01'00''$ East, along the East line of said Section 12 and Block 65, a distance of 2796.87 feet; thence South $88^{\circ}59'00''$ West, departing said East line, a distance of 230.73 feet to a point on the West Right-of-Way line for State Road No.7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation Right-of-Way Map, Section 93210-2524, sheets 6 through 10 (last revision date 11-02-99, 2-5-98, 11-2-99, 2-5-98, and 2-5-98, respectively), and as described in the order of taking recorded in Official Records Book 10644, Page 353 of the Public Records of Palm Beach County Florida, said point also being the POINT OF BEGINNING of Parcel 2; thence South $89^{\circ}57'23''$ West, along a line 45.10 feet South of and parallel with (as measured at right angles) the North line of Tract 29, Block 65, a distance of 501.01 feet to a point on the West line of said Tract 29; thence North $00^{\circ}02'42''$ West, along the West line of said Tract 29, a distance of 1.54 feet; thence South $89^{\circ}57'23''$ West, along a line 43.56 feet South of and parallel with (as measured at right angles) the North line of Tract 30, Block 65, a distance of 660.22 feet to a point on the West line of said Tract 30; thence North $00^{\circ}02'57''$ West, along the West line of said Tract 30, a distance of 3.30 feet; thence South $89^{\circ}57'23''$ West, along a line 40.26 feet South of and parallel with (as measured at right angles) the North line of Tracts 31, 32, 33, and 34, Block 65, a distance of 2670.90 feet, to a point on the West line of said Tract 34; thence North $00^{\circ}01'36''$ West, along the West line of said Tract 34, a distance of 0.50 feet; thence South $89^{\circ}57'23''$ West, along a line 39.76 feet South of and parallel with (as measured at right angles) the North line of Tract 35, Block 65, a distance of 1154.58 feet; thence South $00^{\circ}33'24''$ East, along a line that is 50.16 feet East of and parallel with (as measured at right angles) the West line of Tracts 35, 36, 49, and 50, Block 65, a distance of 2500.61 feet; thence North $89^{\circ}44'03''$ East, along a line 100.00 feet North of and parallel with (as measured at right angles) the South line of Tracts 50, 51, and 52, Block 65, a distance of 2467.25 feet to a point on the centerline of a 30 foot wide roadway according to said plat of Palm Beach Farms Co. Plat No.3; thence South $00^{\circ}02'03''$ East, along said centerline, a distance of 69.64 feet; thence North $89^{\circ}44'03''$ East, along a line 30.36 feet North of and parallel with (as measured at right angles) the South line of Tracts 53 and 54, Block 65, a distance of 1335.79 feet to a point on the East line of said Tract 54; thence North $00^{\circ}02'29''$ West, along said East line of Tract 54, a distance of 585.05 feet to the Southwest corner of Tract 44, Block 65; thence North $89^{\circ}56'39''$ East, along the South line of said Tract 44 and the South line of Tract 43, Block 65, a distance of 1195.87 feet to a point in the aforementioned West Right-of-Way for State Road No.7 (U. S. Highway 441); thence North $01^{\circ}03'04''$ West, along said West Right-of-Way, a distance of 1965.05 feet to the POINT OF BEGINNING.

Less and excepting the following described lands from parcel 2

Commencing at the Northeast corner of Section 12, Township 46 South, Range 41 East, said corner also being the Northeast corner of Block 65 of said Palm Beach Farms Plat No. 3; thence South $01^{\circ}01'00''$ East, along the East line of said Section 12 and Block 65, a distance of 3415.72 feet; thence South $89^{\circ}57'09''$ West, departing said East line, a distance of 2062.73 feet to the Northeast corner of Tract 39, said corner also being the POINT OF BEGINNING; thence continue South $89^{\circ}57'09''$ West, along the North line of said Tract 39, Block 65 and the Westerly prolongation thereof, a distance of 675.26 feet to a point on the centerline of a 30 foot wide roadway according to said Plat of Palm Beach Farms Co. No. 3; thence South $00^{\circ}02'03''$ East, along said centerline, said centerline also being 15 feet West of and parallel with (as measured at right angles) the West line of said Tract 39, a distance of 675.13 feet to the centerline of a 30 foot wide roadway according to said Plat of Palm Beach Farms Co. No. 3; thence North $89^{\circ}56'54''$ East, along said centerline, said centerline also being 15 feet South of and parallel with (as measured at right angles) the South line of said Tract 39, a distance of 675.31 feet; thence North

00°02'16" West, along the East line of said Tract 39 and the Southerly prolongation thereof, a distance of 675.08 feet to the POINT OF BEGINNING.

Also together with Parcel 3:

Commencing at the Northeast corner of Section 13, Township 46 South, Range 41 East, said corner also being the Southeast corner of Block 65 of said Palm Beach Farms Co. Plat No. 3; thence South 89°44'03" West, along the North line of said Section 13 and the South line of Block 65, a distance of 1436.27 feet; thence departing said line South 00°02'29" East, along the Southerly prolongation of the West line of Tract 55, Block 65, a distance of 3.96 feet to the POINT OF BEGINNING; thence continue South 00°02'29" East, along said prolongation of Tract 55, a distance of 677.89 feet to a point on the South line of the North half of the North half of the Northeast quarter of said Section 13; thence South 89°37'30" West, along said line, a distance of 1209.09 feet to a point on the West line of the Northeast quarter of said Section 13; thence South 89°37'30" West, along the South line of the North quarter of the Northwest quarter of said Section 13, a distance of 2653.96 feet to a point on the West line of said Section 13; thence North 01°12'33" West, along the West line of said Section 13 a distance of 589.29 feet; thence North 89°44'03" East, along a line 100.00 feet South of and parallel with (as measured at right angles) the North line of said Section 13, a distance of 2656.28 feet to a point on the East line of the Northwest quarter of said Section 13; thence North 00°59'20" West, along said line, a distance of 96.05 feet; thence North 89°44'03" East, along a line 3.96 feet South of and parallel with (as measured at right angles) the North line of said Section 13, a distance of 1220.33 feet to the POINT OF BEGINNING.

Together with parcel 4:

A strip of land lying within a portion of Tracts 29 through 35 inclusive, Block 65, Palm Beach Farms Co. Plat No. 3, said strip also lying within a portion of Section 12, Township 46 South, Range 41 East, Palm Beach County, Florida being more particularly described as follows:

Commencing at the Northeast corner of said Section 12, said corner also being the Northeast corner of said Block 65; thence South 01°01'00" East, along the East line of said Section 12 and the East line of said Block 65, a distance of 2,796.87 feet; thence departing said line, South 88°59'00" West, a distance of 230.73 feet to a point on the Westerly Right-of-Way line for State Road No. 7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation Right-of-Way Map, Section 93210-2524 and as described in the order of taking in Official Record Book 10644, Page 353 of the Public Records of Palm Beach County, Florida, said point also being the POINT OF BEGINNING; thence South 89°57'23" West, along a line 45.10 feet South of and parallel with (as measured at right angles) the North line of said Tract 29, a distance of 501.01 feet; thence North 00°02'42" West, along the West line of said Tract 29, a distance of 1.54 feet to a point on a line 43.56 feet South of and parallel with (as measured at right angles) the North line of said Tract 30; thence South 89°57'23" West, along said line, a distance of 660.22 feet; thence North 00°02'57" West, along the West line of said Tract 30, a distance of 3.30 feet; thence South 89°57'23" West, along a line 40.26 feet South of and parallel with (as measured at right angles) the North line of said Tracts 31 through 34 inclusive, a distance of 2,670.90 feet; thence North 00°01'36" West, along the West line of said Tract 34, a distance of 0.50 feet; thence South 89°57'23" West, along a line 39.76 feet South of and parallel with (as measured at right angles) the North line of said Tract 35, a distance of 1,154.58 feet to a point on the Easterly Right-of-Way line of Lake Worth drainage District E-1W-N Canal, said point being 50.16 feet East of and parallel with (As measured at right angles) the West line of said Tract 35; thence North 04°52'55" West, a distance of 70.01 feet to a point on the South line of Tract 22, said point being 44.88 feet East of and parallel with (as measured at right angles) the West line of said Tract 22; thence North 89°57'23" East, along the South line of said

Tracts 22 through 28 inclusive, said line also being the North line of a platted 30 foot roadway as shown on said plat of Palm Beach Farms Co. Plat No. 3, a distance of 4,991.30 feet to a point in the aforementioned Westerly Right-of-Way line for State Road No.7 (U.S. Highway 441); thence South 01°03'04" East, along said Westerly Right-of-Way line, a distance of 75.11 feet to the POINT OF BEGINNING.

And

Together with parcel 5:

A parcel of land lying within a portion of Tract 2, Block 65 Palm Beach Farms Co. Plat No. 3 according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54 inclusive of the Public Records of Palm Beach County, Florida, said parcel also lying within Section 12, Township 46 South, Range 41 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Northeast corner of said Section 12, said corner also being the Northeast corner of said Block 65; thence South 89°37'57" West, along the North line of said Section 12 and the North line of said Block 65, a distance of 684.29 feet; thence departing said North line, South 00°02'42" East, along the Northerly prolongation of the East line of said Tract 2, Block 65, Palm Beach Farms Co. Plat No. 3, a distance of 72.83 feet to a point on a line lying 30.36 feet South of and parallel with (as measured at right angles) the North line of said Tract 2, said point also being the POINT OF BEGINNING, thence continue South 00°02'42" East, along said East line, a distance of 638.63 feet to the Southeast corner of said Tract 2; thence South 89°57'53" West, along the South line of said Tract 2, a distance of 330.05 feet; thence North 00°02'36" West, departing said South line, a distance of 637.98 feet to a point on aforesaid parallel line; thence North 89°51'07" East, along said parallel line, a distance of 330.03 feet to the POINT OF BEGINNING.

(legal continued on next page)

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

A parcel of land lying within all of Tracts 41 and 44 and a portion of Tracts 29, 30, 42, and 43, of Block 65 Palm Beach Farms Co. Plat No.3 according to the plat thereof as recorded in Plat Book 2, Pages 45 through 54 inclusive of the Public Records of Palm Beach County, Florida, said parcel also lying within Section 12, Township 46 South, Range 41 East, Palm Beach County, Florida, being more particularly described as follows:

Commencing at the Northeast corner of said Section 12; thence South 01°01'00" East, as a basis of bearings, along the East line of said Block 65 said line also being the East line of said Section 12, a distance of 2,796.87 feet; thence departing said East line South 88°59'00" West, a distance of 230.73 feet to the POINT OF BEGINNING; thence South 01°03'04" East, along the West Right-of-Way line for State Road No.7 (U.S. Highway 441) as shown on that certain Florida Department of Transportation right of Right-of-Way Map Section 93210-2524 and as described in the order of taking recorded in Official Record Book 10644, Page 353, Palm Beach County Records, a distance of 1,965.05 feet; thence South 89°56'39" West, along the South line of said Tracts 43 and 44 of Block 65 Palm Beach Farms Co. Plat No. 3, a distance of 1,195.87 feet to the Southwest corner of said Tract 44; thence North 00°02'29" West, along the West line of said Tracts 44, 41, and 30 of Block 65 Palm Beach Farms Co. Plat No. 3 a distance of 1,966.54 feet; thence North 89°57'23" East, a distance of 660.22 feet; thence South 00°02'42" East, a distance of 1.54 feet; thence North 89°57'23" East, a distance of 501.01 feet to the POINT OF BEGINNING.

Said Lands situate, lying and being in Palm Beach County, Florida

Containing a total of 570.772 acres, more or less.

This legal description and acreage are based on a boundary survey prepared by provided by Dennis J. Leavy PSM #5055 of Dennis J. Leavy & Associates, for use by the South Florida Water Management District.

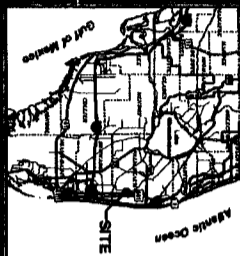
ECBMcMurray Farms, Ltd.
ORB: 8124, Pg. 19
ORB: 9106, Pg. 1269
Folio: 00424327050650010
Folio: 00424327050650051
Folio: 00424327050650160
Folio: 00424327050653030
Folio: 00424327050651030

R:\egals\ecb\100-085.1gl
March 4, 1999
Revised: March 2, 2000
Revised: April 10, 2000
Revised: August 29, 2002

Legal Description

J. L. B.

24 APR 2002



WATER
CONSERVATION
AREA

Legend

- W910E-007 (Pero Farms - Row Crops)
 - Areas Not Farmed
- Approx. Farmed Acres: 490.99 ±
 Approx. Area not Farmed: 79.78 ±
 Total Lease Acres: 570.77

IMPORTANT DISCLAIMER:
This map is a computer-generated map and does not constitute a survey or any other form of professional engineering or land surveying. It is intended for informational purposes only and should not be used for any legal or financial purposes without the assistance of a professional surveyor or engineer.

Map Scale: 1 inch = 1000 feet



**W910E-007 - Pero Farms
Row Crop Lease Appraisal**

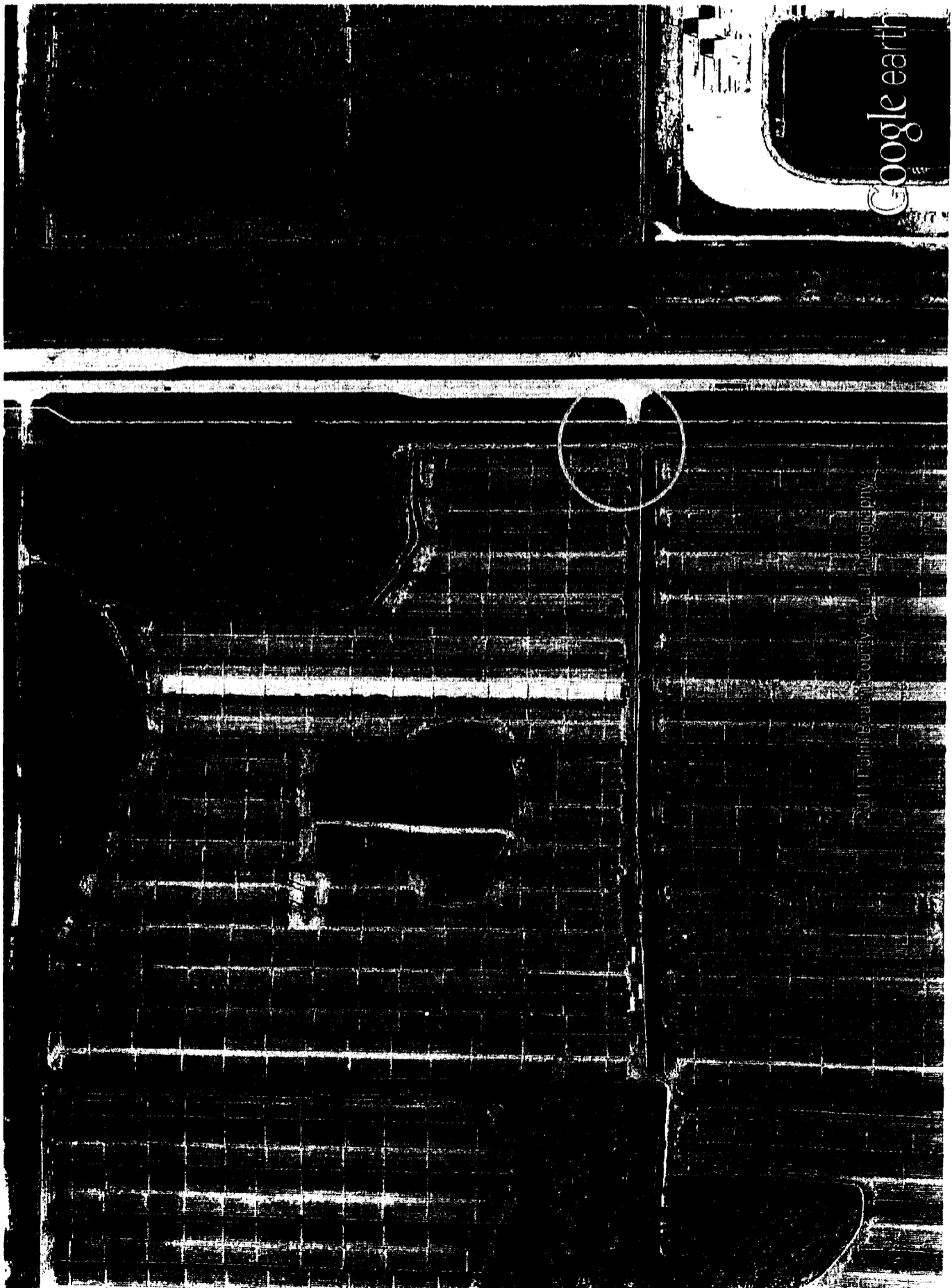
UPDATED
03-MAY-2012



South Florida Water Management District
Land Acquisition Department
GIS SECTION
3301 Gun Club Road, West Palm Beach, Florida 33406
888-481-8800 - FL WAITS 1-800-682-2046 - www.sfwmd.gov
MAILING ADDRESS: P.O. Box 2440 - West Palm Beach, FL 33412-4400

MAP

MapScale: 1 inch = 1000 feet



BUDGET AVAILABILITY STATEMENT

REQUEST DATE: _____ REQUESTED BY: Richard C. Bogatin PHONE: 561.233.0214
 FAX: 561.233.0210

PROJECT TITLE: McMurray Farm SFWMD-RFB 6000000569 PROJECT NO.: 2013-5.010

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>(\$38,679.96)</u>	<u>(\$116,910.18)</u>	<u>(\$120,417.48)</u>	<u>(\$124,029.99)</u>	<u>(\$127,750.92)</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$38,679.96)</u>	<u>(\$116,910.18)</u>	<u>(\$120,417.48)</u>	<u>(\$124,029.99)</u>	<u>(\$127,750.92)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

**** By signing this BAS your department agrees to these staff costs and your account will be charged upon receipt of this BAS by FD&O. Unless there is a change in the scope of work, no additional staff charges will be billed.**

BUDGET ACCOUNT NUMBER

FUND: 1222 DEPT: 800 UNIT: 8011 OBJ: 6225
 SUB OBJ:

IS ITEM INCLUDED IN CURRENT BUDGET: YES _____ NO _____

IDENTIFY FUNDING SOURCE FOR EACH ACCOUNT: (check all that apply)

- Ad Valorem (source/type: _____)
- Non-Ad Valorem (source/type: LEASE)
- Grant (source/type: _____)
- Park Improvement Fund (source/type: _____)
- General Fund Operating Budget Federal/Davis Bacon
- _____ _____ _____

SUBJECT TO IG FEE? YES NO

Department: _____

BAS APPROVED BY: Ly Purnin DATE: 5/6/13

ENCUMBRANCE NUMBER: _____

SOUTH FLORIDA WATER MANAGEMENT DISTRICT

Resolution No. 2013 - 0506

A Resolution of the Governing Board of the South Florida Water Management District approving a new 10-year lease agreement for 570.77 acres in Palm Beach County, between the current lessee Pero Family Farms, Inc., Palm Beach County and the District in the amount of \$178,477.50 per year as revenue to the District; providing an effective date. (Contract Number 4600002862) (OMC, Jayne Bergstrom, ext. 2864)

WHEREAS, the Governing Board, pursuant to Section 373.093 of the Florida Statutes, may lease lands or interests in land under terms and conditions determined by the Governing Board;

WHEREAS, with respect to 570.77 acres in Palm Beach (the "Premises"), the District, Palm Beach County and Pero Family Farms, Inc. (the current lessee of the Premises), desire to enter into a Lease Agreement for a ten year term from July 1, 2013, through June 30, 2023 under Contract Number 4600002862 (the "Lease Agreement"); and

WHEREAS, the main use of the Premises, currently and pursuant to the Lease Agreement, will be row crops; and

WHEREAS, District staff recommends that the Governing Board approve the Lease Agreement.

NOW THEREFORE, BE IT RESOLVED by the Governing Board of the South Florida Water Management District:

Section 1: The Governing Board of the South Florida Water Management District approves the Lease Agreement No. 4600002862.

Section 2: The Governing Board of the South Florida Water Management District hereby authorizes the Bureau Chief of the District's Procurement Bureau to execute the Lease Agreement.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED and ADOPTED this 9th day of May, 2013.

Resolution No 2013-0506

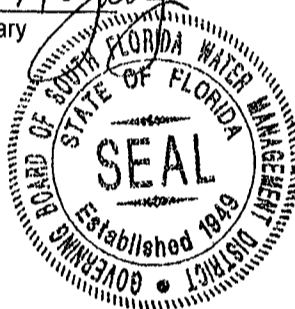
SOUTH FLORIDA WATER MANAGEMENT DISTRICT, BY ITS GOVERNING BOARD

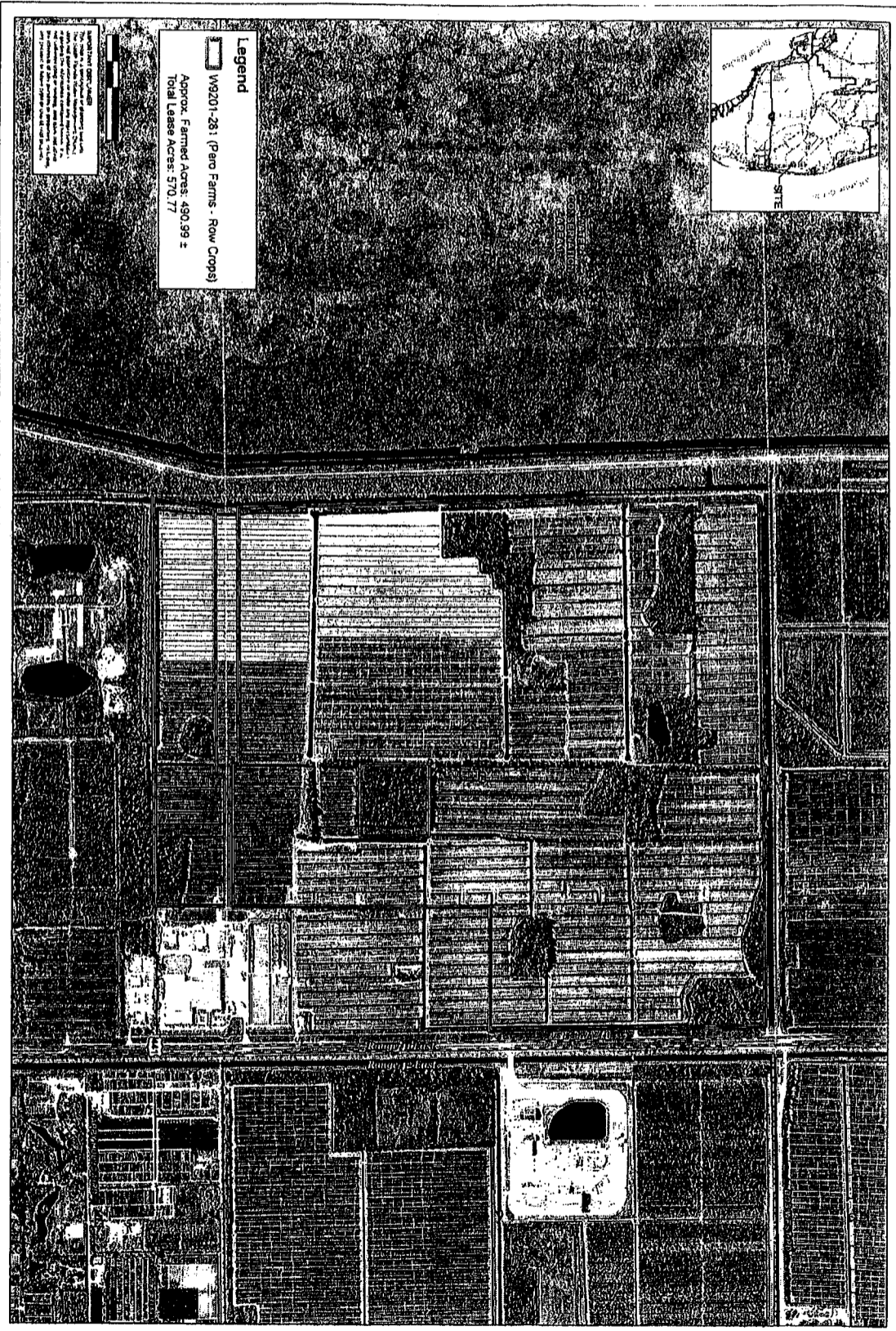
By: Dan OKeefe
Chairman

Attest: Jackie McGath
District Clerk/Secretary

Legal form approved: [Signature]
By: [Signature]
Office of Counsel

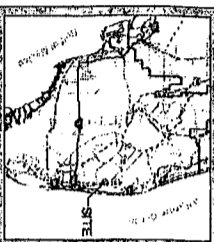
Print name: Frank Mendez





This map was prepared using data from the Florida Department of Transportation (FDOT) and the Florida Department of Transportation (FDOT) and is not intended to be used for any other purpose. The Florida Department of Transportation (FDOT) is not responsible for any errors or omissions in this map.

Legend
 W9201-281 (Pero Farms - Row Crops)
 Approx. Farmed Acres: 490.99 ±
 Total Leased Acres: 570.77



SOUTH FLORIDA WATER MANAGEMENT DISTRICT
 Land Acquisition Department
 GIS SECTION
 3381 GUN CLUB ROAD, WEST PALM BEACH, FLORIDA 33411
 561-436-4300 • FAX 561-436-2311 • www.sfwmd.gov
 SALES TAX ADDRESSES: P.O. BOX 7040 • WEST PALM BEACH, FL 33411-0740

W9201-281 - Pero Farms
Row Crop Lease Appraisal
 Palm Beach County
 Township 48 South
 Range 41 East

UPDATED
 16-FEB-2012



This map was prepared using data from the Florida Department of Transportation (FDOT) and the Florida Department of Transportation (FDOT) and is not intended to be used for any other purpose. The Florida Department of Transportation (FDOT) is not responsible for any errors or omissions in this map.