

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: June 11, 2024

Consent     Regular  
 Workshop     Public Hearing

Submitted By: Department of Airports

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to:

- A) Approve a First Amendment (Amendment) to Amended and Restated Fuel Farm Facilities Lease Agreement (Lease) at the Palm Beach International Airport (PBI) with Aircraft Service International, Inc., a Delaware corporation, d/b/a Menzies Aviation (Menzies); providing for the lease of approximately 98,711 square feet of additional unimproved ground for the construction of a fuel containment area; extending the term of the Lease for six additional years to June 30, 2030, with two renewal options of two years each for an initial annual rental of \$398,460.64; providing for a minimum capital expenditure by Menzies of \$2,053,000 for fuel farm improvements; and providing a rental credit in an amount not to exceed \$1,200,000 upon completion of the fuel farm improvements.
- B) Approve a Budget Transfer of \$1,200,000 in the Airport's Improvement and Development Fund including a transfer from Reserves in the amount of \$1,200,000.

**Summary:** Menzies leases and operates the commercial aviation fuel farm at PBI and provides into-plane fueling services to airlines. The Amendment requires Menzies to invest a minimum of \$2,053,000 to complete various improvements necessary for the safe and efficient operation of the fuel farm, including the construction of a fuel containment area for fuel truck storage. The airlines have contracts with Menzies for fuel storage in connection with their operations. Menzies, as well as third-party providers, operate fuel trucks to provide into-plane fueling services from the fuel farm to commercial aircraft. Menzies subleases space for the storage of fuel trucks to third party into-plane providers selected by the airlines. The fuel farm requires an additional fuel containment area for the storage of fuel trucks operated by third party providers as a secondary containment measure in the event of a fuel spill. The Amendment includes the lease of approximately 98,711 square feet of additional unimproved ground for construction of the fuel containment area. The current annual rental is \$319,491.84, which will increase to \$398,460.64 with the addition of the fuel containment area. Rental will be adjusted based on appraisal on October 1, 2025, which will take into consideration the value of the improvements to be completed by Menzies. The Amendment provides for a rental credit in an amount not to exceed \$1,200,000 to reimburse Menzies for a portion of the costs of the improvements upon completion of the work. The Lease currently expires on June 30, 2024. This Amendment will extend the Lease for six additional years to June 30, 2030, with two additional two-year options to renew. Rental adjustments will occur every three years thereafter based on appraisal, subject to a consumer price index cap. The Amendment also updates the liquidated damages provisions for certain failures that cause impacts to or delays in flight operations, including the failure to provide timely access to the fuel farm facilities, resulting in a delay of a scheduled flight. A budget transfer is necessary to establish budget for the rental credit and includes a transfer from Reserves in the amount of \$1,200,000. Countywide (HF)

**Background and Justification:** The fuel farm is owned by the County and consists of 14 above-ground storage tanks with a gross capacity of approximately one million gallons of fuel. The improvements to be completed include electrical upgrades and paving improvements, including a fuel containment area and new circulation road to improve safety.

**Attachments:**

- 1. Amendment (3)
- 2. Budget Transfer

Recommended By: Zel [Signature] Department Director      5/19/24      Date

Approved By: [Signature] County Administrator      5/29/24      Date

**II. FISCAL IMPACT ANALYSIS**

**A. Five Year Summary of Fiscal Impact:**

Fiscal Years	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Capital Expenditures	<u>0</u>	<u>131,250</u>	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>
Operating Costs					
Operating Revenues	<u>(104,003)</u>	<u>(\$398,461)</u>	<u>(\$398,461)</u>	<u>(\$398,461)</u>	<u>(\$398,461)</u>
Program Income (County)					
In-Kind Match (County)					
<b>NET FISCAL IMPACT</b>	<u><b>(104,003)</b></u>	<u><b>(\$267,211)</b></u>	<u><b>(\$173,461)</b></u>	<u><b>(\$173,461)</b></u>	<u><b>(\$173,461)</b></u>
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included in Current Budget? Yes \_\_\_\_\_ No X  
 Does this item include the use of federal funds? Yes \_\_\_\_\_ No X  
 Does this item include the use of state funds? Yes \_\_\_\_\_ No X

Budget Account No: Fund 4111 Department 121 Unit A395 Object 6504

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

The fiscal impact of the Amendment is additional rental on an additional 98,711 square feet of ground area at \$0.80 per square foot (annual) through the scheduled expiration of the Lease on June 30, 2024, plus annual rental totaling \$398,461 thereafter. Rent will be adjusted based on appraisal-only on October 1, 2025, including the value of the improvements to be completed. Rental adjustments will occur every three years thereafter based on appraisal, but subject to a consumer price index cap. A rental credit in the amount of \$1,200,000 is shown as commencing March 1, 2025. The credit is divided among the months remaining in the initial term (ending June 30, 2030), therefore for illustration purposes the credit would be \$18,750 per month based on 64 months remaining in the initial term. The actual date the credit will be vested to Menzies will be determined by completion of the required improvements and County's acceptance of the cost report. This action includes a budget transfer in the amount of \$1,200,000 in Fund 4111. Airports Improvement and Development Fund will provide budget for this project. A transfer from Reserves in the amount of \$1,200,000 is included.

C. Departmental Fiscal Review: William Duncan

**III. REVIEW COMMENTS**

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

<p><u>ASD/CAE 5/17/24</u>                  KK 5/14                  OFMB 5/19</p>	<p><u>Brandi Machette 5/21/24</u>                  Contract Dev. and Control                  ml 5/21/24</p>
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**B. Legal Sufficiency:**

[Signature] 5/22/24  
 Assistant County Attorney

**C. Other Department Review:**

\_\_\_\_\_  
 Department Director

**FIRST AMENDMENT TO  
AMENDED AND RESTATED  
FUEL FARM FACILITIES LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO AMENDED AND RESTATED FUEL FARM FACILITIES LEASE AGREEMENT** (this "Amendment") is made and entered into as of June 11, 2024 (the "Amendment Date"), by and between **Palm Beach County**, a political subdivision of the State of Florida ("County"), and **Aircraft Service International, Inc.**, a Delaware corporation, doing business as **Menzies Aviation**, having its office and principal place of business at 4900 Diplomacy Road, Fort Worth, Texas 76155 ("Tenant").

**WITNESSETH:**

**WHEREAS**, County, by and through its Department of Airports, owns and operates the Palm Beach International Airport, which is located in Palm Beach County, Florida; and

**WHEREAS**, the parties entered into that certain Amended and Restated Fuel Farm Facilities Agreement on June 18, 2019 (R-2019-0841) (the "Agreement"); and

**WHEREAS**, the parties desire to amend the Agreement as provided herein.

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

1. The foregoing recitals are true and correct and are hereby incorporated herein by reference.
2. Exhibit "A", Premises, to the Agreement is deleted in its entirety and replaced with Exhibit "A" attached hereto, containing 257,522 square feet, more or less
3. Exhibit "B" to the Agreement is deleted in its entirety and replaced with Exhibit "B" attached hereto the "Phase Two Fuel Farm Improvements".
4. Article 2, Definitions, of the Agreement is amended to delete Definition 2.56, Required Improvements; and to add the following Definition 2.72:  

2.72 Phase Two Fuel Farm Improvements means the improvements listed in Exhibit "B" attached hereto.
5. Article 3 - Effective Date, Commencement Date, Approval Date, Term, of the Agreement is deleted in its entirety and replaced with the following Article 3:

**ARTICLE 3 - EFFECTIVE DATE, TERM, RENEWAL TERM**

**3.01 Effective Date; Term.** This Agreement commenced on June 18, 2019, and shall terminate on June 30, 2030 ("Initial Term"), unless sooner terminated pursuant to the terms of this Agreement.

**3.02 Renewal Term.** Provided that Tenant is not in material default of this Lease (or an event has not occurred, which with the passage of time or giving of notice would constitute a material default), the Term shall be automatically renewed for two (2) additional periods of two (2) years each (each a "Renewal Term"), unless County notifies Tenant in writing of County's intent to not exercise its option to renew not later than one hundred twenty (120) days prior to the expiration of the then current term, with time being of the essence. Such renewal(s) shall be upon the same terms and conditions set forth herein. The Initial Term and any Renewal Term(s) shall collectively be referred to as the "Term".

6. Section 5.01, Ground Rental, Section 5.02, Building Rental, Section 5.03, Fuel Farm Improvement Rental, Section 5.04, Adjustment of Rental, and Section 5.05, Security Deposit, of the Agreement are deleted in their entirety and replaced with the following:

**5.01 Ground Rental.** The parties acknowledge that the Premises contains approximately 257,522 square feet of ground area. Tenant shall pay to County Ground Rental for approximately 251,966 square feet of ground area on the Premises, excluding the building area for Building 1332 and Building 1334, which is included in the 5,556 square feet of Building Rental. The initial Ground Rental rate shall be \$0.80 per square foot annually, for a total of Two Hundred One Thousand, Five Hundred Seventy-Two and 80/100 Dollars (\$201,572.80), plus applicable sales tax, payable in equal monthly installments.

**5.02 Building Rental.** Tenant shall pay to County Building Rental for Building 1332 and Building 1334 on the Premises. As of the Amendment Date, the rental rates and square footage and current Building Rental shall be as follows:

- (A) Building 1332: \$5.30 per square foot annually, for 756 square feet, for a total of Four Thousand, Six and 80/100 Dollars (\$4,006.80); and
- (B) Building 1334: \$7.50 per square foot annually, for 4,800 square feet, for a total of Thirty-Six Thousand and 00/100 Dollars (\$36,000.00).

Building Rental shall be payable in equal monthly installments, together with applicable sales tax.

**5.03 Fuel Farm Improvement Rental.** During the Term, Tenant shall pay Fuel Farm Improvement Rental to County for the use of the Fuel Farm Improvements as follows:

- (A) For the Fuel Farm Improvements at Tank Farms 1 and 2 on the Premises, Sixty-Two Thousand, Four Hundred Ninety-Three Dollars and Thirty-One Cents (\$62,493.31) annually; and
- (B) For the Fuel Farm Improvements at Tank Farm 3 on the Premises, Ninety-Four Thousand, Three Hundred Eighty-Seven Dollars and Seventy-Three Cents (\$94,387.73) annually.

Fuel Farm Improvement Rental shall be payable in equal monthly installments, together with applicable sales tax. Commencing October 1, 2025, Fuel Farm Improvement Rental shall be adjusted in accordance with Section 5.04(A) and include the Phase Two Fuel Farm Improvements.

**5.04 Adjustment of Rental.**

- (A) On October 1, 2025 (the “Appraisal Adjustment Date”), the rental provided in in Sections 5.01, 5.02 and 5.03 above shall be determined solely on the basis of an appraisal obtained by County, which shall set forth the fair market rental for the Premises, including the Phase Two Fuel Farm Improvements, whether such improvements are completed or not. The rental determined by this section shall not be subject to the Consumer Price Index provisions of Section 5.04(B).
- (B) On October 1, 2028, and each three (3) year anniversary thereof (each such date, an “Adjustment Date”), the then current rental provided in Sections 5.01, 5.02 and 5.03 above shall be adjusted based on appraisal obtained by County, which shall set forth the fair market rental for the Premises, including the Phase Two Fuel Farm Improvements. The rental determined on each Adjustment Date shall not exceed an amount that would be obtained by multiplying the rental established as of October 1, 2025, by a fraction, the numerator of which shall be the “Consumer Price Index” (as hereinafter defined) figure for May of the calendar year in which such adjustment is to become effective and the denominator of which shall be the Consumer Price Index figure for April 2025. For the purposes hereof, the “Consumer Price Index” shall mean the Consumer Price Index for Urban Wage Earners and Clerical Workers, United States city average, all items (1982 - 1984 = 100), not seasonally adjusted, or any successor thereto as promulgated by the Bureau of Labor Statistics of the United States Department of Labor. In the event that the Consumer Price Index ceases to use the 1982 - 1984 average of one hundred (100) as the standard reference index base period, the then current standard reference index base period shall be utilized. In the event the Consumer Price Index (or successor or substitute Consumer Price Index) is not available, a reliable governmental or other nonpartisan publication evaluating information theretofore used in determining the Consumer Price Index shall be used.
- (C) Appraisals shall be performed at County’s sole cost and expense by a qualified appraiser selected by County. County shall notify Tenant in writing of the fair market rental of the Premises as established by the appraisal, which shall become the new rental.

- (D) Notwithstanding any provision of this Agreement to the contrary, Tenant acknowledges and agrees that County shall have the right to establish and maintain the rental rate hereunder to ensure compliance with the provisions of Section 710 (rate covenant) of the Bond Resolution.
- (E) Tenant shall commence paying the new rental on the Adjustment Date or Appraisal Adjustment Date. The amount of any rental adjusted pursuant to this Section shall not be less than the rental for the prior period. This Agreement shall automatically be considered as amended to reflect the adjusted rental rate, without formal amendment hereto, upon County's written notification of the establishment of the adjusted rental rate applicable to the Premises. Any delay or failure of County in computing the adjustment in the rental, as hereinabove provided, shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay such adjusted annual rental from the applicable Appraisal Adjustment Date or Adjustment Date.

**5.05 Security Deposit.** Throughout the Term, Tenant shall post a security deposit with County equal to three (3) monthly installments of rental ("Security Deposit"). The Security Deposit shall serve as security for the payment of all sums due to County, including liquidated damages, and shall also secure the performance of all obligations of Tenant to County. The Security Deposit shall be either in the form of a clean, Irrevocable Letter of Credit ("Letter of Credit") or a Surety Bond ("Bond") in form and substance satisfactory to County. In the event of any failure by Tenant to pay any rentals or charges when due or upon any other failure to perform any of its obligations or other default under this Agreement, then in addition to any other rights and remedies available to County at law or in equity, County shall be entitled to draw on the Security Deposit and apply same to all amounts owed. Upon notice of any such draw, Tenant shall immediately replace the Security Deposit upon request from County with a new Letter of Credit or Bond in the full amount of the Security Deposit required hereunder. Tenant shall promptly increase the amount of the Security Deposit to reflect any increases in the rental payable hereunder; provided, however, Tenant shall not be required to increase the Security Deposit if the increase in rental will result in an increase of fifteen percent (15%) or less in the then-current Security Deposit held by County. The Security Deposit shall be kept in full force and effect throughout the Term of this Agreement and for a period of six (6) months after the expiration or earlier termination of this Agreement. Not less than forty-five (45) days prior to any expiration date of a Letter of Credit or Bond, Tenant shall submit evidence in form satisfactory to County that such security instrument has been renewed. Failure to renew a Letter of Credit or Bond or to increase the amount of the Security Deposit as required by this Section within fifteen (15) days after written notice from County shall: (i) entitle County to draw down the full amount of such Security Deposit, and (ii) constitute a default of this Agreement entitling County to all available remedies. The Security Deposit shall not be returned to Tenant until all obligations under this Agreement are performed and satisfied. Prior to consent from County to any assignment of this Agreement by Tenant, Tenant's assignee shall be required to provide a Security Deposit to County in accordance with the terms and conditions of this Section.

7. Article 5 - Rental, Fees, Charges and Security Deposit, of the Agreement is amended to add the following Section 5.13, Rental Credit for Phase Two Fuel Farm Improvements:

**5.13 Rental Credit for Phase Two Fuel Farm Improvements.** Provided the Minimum Capital Investment is achieved or exceeded, as evidenced by County's acceptance of the Cost Report for the Phase Two Fuel Farm Improvements, Tenant shall be entitled to reimbursement for a portion of Tenant's cost to complete the Phase Two Fuel Farm Improvements, which will be paid by County in the form of credit against rental payable by Tenant to County in the amount of One Million, Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00), and in no event shall credit or reimbursement be in the form of a cash payment. Rental credit shall be issued by County to Tenant upon County's acceptance of the Cost Report for the Phase Two Fuel Farm Improvements. The rental credit shall be divided by the number of whole months remaining in the Initial Term, as of the date of County's acceptance of the Cost Report for the Phase Two Fuel Farm Improvements. For instance, if the date of County's acceptance of the Cost Report for the Phase Two Fuel Farm Improvements is February 15, 2025, the rental credit shall be Eighteen Thousand, Seven Hundred Fifty and 00/100 Dollars (\$18,750.00) per month, commencing on March 1, 2025, for each of the sixty-four (64) whole months remaining in the Initial Term ( $\$1,200,000.00 / 64 = \$18,750.00$ ). Tenant shall not be entitled to deduct or offset rental credits against any amount payable to County hereunder, until such time as County has accepted and approved the Cost Report for the Phase Two Fuel Farm Improvements in accordance with the requirements of this Agreement, which approval shall not be unreasonably withheld or delayed. Furthermore, Tenant shall not include the amount of any costs for which Tenant has received such rental credit, in any System Improvement Fee, or other fee(s) assessed to Airlines. The amount of any rental credits remaining upon the expiration or earlier termination of this Agreement, if any, shall be not be paid to Tenant by County, and no additional rental credit(s) shall be issued for any Renewal Term(s). In the event the Minimum Capital Investment is not achieved, no reimbursement or credit shall be issued.

8. Section 6.03, Good-Faith Cooperation with Third-Party Into-Plane Fueling Operators, of the Agreement is deleted in its entirety and replaced with the following:

**6.03 Good-Faith Cooperation with Third-Party Into-Plane Fueling Operators.** Tenant shall take no action to impede, block access to, interfere with, or otherwise impair the ability of any Third-Party Into-Plane Fueling Operator to operate or perform at the Airport, including impairment of access to the Fuel Farm Facility and/or the Fuel Farm Improvements. Tenant shall cooperate with Third-Party Into-Plane Fueling Operators by taking such actions which may include, but are not limited to, coordinating maintenance and repair to the Premises with such operator(s) to minimize disruption; communicating with such operator(s) in the event of planned or unplanned outages of any type; and entering into agreements on terms and conditions, at fees or rates as may be standard or recognized as commercially reasonable within the fuel farm industry. Such agreements may include, but are not limited to fuel system access agreement(s) or similar instruments as may be necessary to provide for Third-Party Into-Plane Fueling Operator(s) to access the Fuel Farm Facility and withdraw fuel, and sublease agreements with such operators for a Fuel Truck Parking Area. Nothing shall prohibit Tenant from charging a Third-Party Into-Plane Fueling Operator subtenant reasonable rental for the use of the Fuel

Truck Parking Area. "Reasonable Rental" shall be defined as no more than five percent (5%) above the current Ground Rental rate established pursuant to Section 5.01. Any such agreements shall be subject to the requirements of Section 17.02. Tenant acknowledges and agrees this Agreement is expressly conditioned on Tenant making available, and entering into such agreements, if requested, for a Fuel Truck Parking Area(s) with sufficient parking to accommodate Third-Party Into-Plane Fueling Operator(s). For purposes of this Agreement, upon completion of the Phase Two Improvements the term "sufficient parking to accommodate Third-Party Into-Plane Fueling Operator(s)" shall be determined by multiplying the total square footage of available Fuel Truck Parking Area by the percentage of commercial airline fuel volume (based on a six (6) month average) applicable to the commercial airlines serviced by each provider of Into-Plane Fueling Services at the Airport, including Tenant and any Third-Party Into-Plane Fueling Operator(s). Nothing herein is intended to require Tenant to provide a Third-Party Into-Plane Fueling Operator(s) with any interior office or storage space, maintenance facilities, or any rights not expressly set forth herein. Any documented violation of any part of this Section shall be subject to Liquidated Damages, as provided in Section 6.06; provided, however, nothing herein shall preclude County's exercise of all other remedies available to it under this Lease or under the law, including that if the Department, in the Director's sole and absolute discretion, determines that the severity of the violation is material and significant, such violation shall be deemed to be a material default under this Agreement and shall be grounds for termination of this Agreement, unless cured within three (3) days of receipt of notice from the Department or as expeditiously as possible if the default cannot be completely cured within the three (3) day period.

9. Section 6.06, Liquidated Damages, of the Agreement is deleted in its entirety and replaced with the following:

**6.06 Liquidated Damages.** The parties acknowledge and agree that failure of Tenant and its employees to comply with the service and operational standards established by this Agreement will result in an inconvenience to the Airlines and its passengers, and negatively impact the Airport's reputation and the quality of services at the Airport, and that the damages resulting from such failure are impossible to quantify and calculate. The parties agree that the liquidated damages set forth below are reasonable estimates of the damages that would be incurred for the specified breaches, and Tenant agrees to pay to County liquidated damages in accordance with this Section at the amounts specified below upon the occurrence of a specified breach and upon demand by Department. The amounts listed below are not intended to be a penalty, but a reasonable measure of damages. The availability of liquidated damages shall not preclude County from exercising other remedies, such as termination of this Agreement, due to default. Liquidated damages will not be assessed for circumstances Tenant demonstrates to the satisfaction of the Department are beyond the reasonable control of the Tenant, and which Tenant has demonstrated good-faith efforts to correct in a timely manner.



Violation	Liquidated Damages Amount
(1) Failure to maintain the Fuel Farm Facility in an operable condition, resulting in impacts or delays to flight operations at the Airport.	\$2,500.00 per day
(2) Failure to maintain emergency generators to ensure the Fuel Farm Improvements are capable of functioning properly during an electrical power outage, resulting in impacts or delays to flight operations at the Airport.	\$2,500.00 per day
(3) Failure to timely submit any report, record or documentation required by this Agreement, including, but not limited to, Annual Reports and Semi-Annual Reports.	\$50.00 per day until submitted as required
(4) Failure to cooperate or provide access, as provided in Section 6.03, to any Third-Party Into-Plane Fueling Operator with a Sublease, resulting in a delay to a scheduled flight by an Airline.	\$500.00 per 30-minute period of any resulting delay to a scheduled flight by an Airline.
(5) Other failure to cooperate with a Third-Party Into-Plane Fueling Operator(s), pursuant to Section 6.03, except as provided in (4) above.	\$500.00 per day until satisfactory cooperation is reached.

10. Article 6 - Fuel Farm and Into-Plane Fueling Services, of the Agreement is amended to add the following Section 6.07, Fueling of County Equipment:

**6.07 Fueling of County Equipment.** County and Tenant agree that County may request Tenant to provide gasoline or diesel fuel to certain County-owned equipment, including generators and vehicles, or to allow County to access the fuel farm facility to self-fuel County's vehicles or equipment, including buses owned by County and operated by County's parking operation/shuttle manager. The cost of such fuel and fueling services shall be determined at the time of County's request, based on Tenant's cost of product and services, plus a fuel flowage which shall not exceed the lowest costs charged to Signatory Airlines at the Airport and other users. Tenant further agrees that such charges for fuel and fueling services may, at County's option, be credited by County to Tenant in the form of credits issued in writing by County to be applied against rental and other payments otherwise due by Tenant to County. Nothing in this Section 6.07 shall obligate County to obtain fuel, or fueling services, from Tenant.

11. Article 8 - Construction of Improvements, of the Agreement is amended to delete Section 8.01, Required Improvements, in its entirety and replace with the following Section 8.01, Phase Two Fuel Farm Improvements:

**8.01 Phase Two Fuel Farm Improvements.**

- (A) Tenant shall design, perform and construct, at its sole cost and expense, the improvements, repairs and corrective items listed in the attached Exhibit "B" (the "Phase Two Fuel Farm Improvements"). Tenant shall not assess a System Improvement Fee for such costs to Airlines or any other third-party.
- (B) Tenant shall take reasonable steps to ensure that the construction of the Phase Two Fuel Farm Improvements does not unreasonably disrupt or interfere with Tenant's or Third-Party Into-Plane Fueling Operators operations on the Premises.
- (C) Construction of the Phase Two Fuel Farm Improvements shall be completed no later than January 31, 2025, subject to force majeure, unless otherwise approved by the Department in writing, which approval shall not be unreasonably withheld, conditioned or delayed for reasons beyond the reasonable control of Tenant. Substantial completion of the Phase Two Fuel Farm Improvements will occur when a professional engineer, or other professional qualified in fuel farm system engineering, and acceptable to County, in County's sole and absolute discretion, provides a written certification to County that the Phase Two Fuel Farm Improvements have been substantially completed (the "Engineer's Report"). Tenant shall promptly notify County in writing upon substantial completion of the Phase Two Fuel Farm Improvements.
- (D) Tenant shall expend not less than a total amount of Two Million, Fifty-Three Thousand Dollars (\$2,053,000.00) on the Phase Two Fuel Farm Improvements (the "Minimum Capital Investment"). Costs that may be counted toward the Minimum Capital Investment shall include all costs paid for work performed, services rendered and materials furnished for the completion of the Phase Two Fuel Farm Improvements, subject to the following terms, conditions and limitations (the "Allowable Costs"):
  - (1) The cost of design (subject to the limitations set forth herein) and construction of the Phase Two Fuel Farm Improvements; bonds; construction insurance; and building permit fees shall be included in the Minimum Capital Investment.
  - (2) Payments made by Tenant to independent contractors for engineering and architectural design work shall be limited to fifteen percent (15%) of the Minimum Capital Investment.
  - (3) Only true third party costs and payments made by Tenant shall be included in the Minimum Capital Investment. Costs incurred by any subtenant, licensee or other occupant of the Premises, or any portion thereof, other than Tenant shall not be included in the Minimum Capital Investment unless Tenant has obtained written approval from the Department prior to incurring such costs.

- (4) Costs for consultants (other than engineering and design consultants, as provided in Section 8.01(D)(2) above). Legal fees and accountant fees shall not be included in the Minimum Capital Investment.
  - (5) Finance and interest expenses shall not be included in the Minimum Capital Investment.
  - (6) Administrative, supervisory and overhead or internal costs of Tenant shall not be included in the Minimum Capital Investment. Nothing contained herein shall prohibit Tenant from including costs for Tenant's internal administrative or supervisory staff outside of the core Airport-based workforce, provided Tenant has obtained written approval from the Department prior to incurring such costs.
  - (7) Costs incurred by any of Tenant's affiliates shall not be included in the Minimum Capital Investment unless Tenant has obtained written approval from the Department prior to incurring such costs.
  - (8) Costs associated with acquisition or installation of personalty, such as furnishings, trade fixtures and equipment that is not permanently affixed to the Premises, or any other personalty whatsoever shall not be included in the Minimum Capital Investment unless Tenant has obtained written approval from the Department prior to incurring such costs.
  - (9) Costs of construction photographs and signage shall not be included in the Minimum Capital Investment, unless Tenant has obtained written approval from the Department prior to incurring such costs.
  - (10) Any costs associated with any improvements, other than the Phase Two Fuel Farm Improvements, shall not be included in the Minimum Capital Investment unless Tenant has obtained written approval from the Department prior to incurring such costs.
- (E) Within sixty (60) days of Tenant's completion of the Phase Two Fuel Farm Improvements, Tenant, at its sole cost and expense, shall have prepared and delivered to the Department: one (1) complete set of as-built drawings, and one (1) complete set of as-built drawings in a PDF or other electronic format approved by the Department.
- (F) Within sixty (60) days of completing the Phase Two Fuel Farm Improvements, Tenant shall also submit a detailed statement attested to and certified by an independent Certified Public Accountant acceptable to County, demonstrating that the total Allowable Costs incurred by Tenant for the Phase Two Fuel Farm Improvements exceeds Two Million, Fifty-Three Thousand Dollars (\$2,053,000.00) (the "Cost Report").

- (G) Tenant shall take all reasonable steps to coordinate all construction, including the Phase Two Fuel Farm Improvements, with Third-Party Into-Plane Fueling Operators to insure such construction does not unreasonably disrupt, impair or interfere with Tenant's or Third-Party Into-Plane Fueling Operators operations at the Airport.

12. Ratification of Agreement. Except as specifically modified herein, all of the terms and conditions of the Agreement shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

13. Paragraph Headings. The heading of the various sections of this Amendment are for convenience and ease of reference only, and shall not be construed to define, limit, augment or describe the scope, context or intent of this Amendment or the Agreement.

14. Amendment Date. This Amendment shall become effective when signed by both parties hereto and approved by the Palm Beach County Board of County Commissioners.

(Remainder of page intentionally left blank)

IN WITNESS WHEREOF, the parties hereto have duly executed this Amendment as of the day and year first above written.

**ATTEST:**  
**JOSEPH ABRUZZO**  
Clerk of the Circuit Court and  
Comptroller

**PALM BEACH COUNTY,**  
a political subdivision of the State of Florida,  
by its Board of County Commissioners

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Maria Sachs, Mayor

**APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY**

**APPROVED AS TO TERMS  
AND CONDITIONS**

By: \_\_\_\_\_  
County Attorney

By: \_\_\_\_\_  
Director, Department of Airports

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

**TENANT:**  
**AIRCRAFT SERVICE  
INTERNATIONAL, INC.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

W. Todd Kilgore  
Print Name

JOHN REDMOND  
Print Name

\_\_\_\_\_  
Signature

EVP AMERICAS  
Title

KEVIN KLEINER  
Print Name

(Seal)

**TABLE OF EXHIBITS**

**Exhibit "A" – Premises**

**Exhibit "B" – Phase Two Fuel Farm Improvements**

**EXHIBIT "A"**  
**PREMISES**

EXHIBIT A

EXPANDED MENZIES FUEL FARM LEASE PARCEL N-15

A PARCEL OF LAND IN PALM BEACH INTERNATIONAL AIRPORT PROPERTY, IN THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 43 SOUTH, RANGE 43 EAST, PALM BEACH COUNTY, FLORIDA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHWEST CORNER OF SAID SECTION 32;  
THENCE ALONG THE NORTH LINE OF THE SAID NORTHWEST QUARTER OF SECTION 32, S88°26'54"E FOR 1231.01 FEET;  
THENCE PERPENDICULAR TO SAID NORTH LINE, S01°33'06"W FOR 78.75 FEET TO THE POINT OF BEGINNING;  
THENCE S88°26'54"E FOR 243.76 FEET;  
THENCE N01°33'06"E FOR 20.00 FEET;  
THENCE S88°26'54"E FOR 286.00 FEET;  
THENCE S01°41'06"W FOR 344.00 FEET;  
THENCE N88°37'52"W FOR 436.47 FEET;  
THENCE N01°22'08"E FOR 36.00 FEET;  
THENCE N40°13'58"W FOR 46.87 FEET;  
THENCE N83°58'03"W FOR 61.42 FEET;  
THENCE S01°45'14"W FOR 44.55 FEET;  
THENCE N88°11'42"W FOR 368.81 FEET;  
THENCE N01°04'52"E FOR 224.21 FEET;  
THENCE S88°19'59"E FOR 328.65 FEET;  
THENCE N01°33'06"E FOR 69.02 FEET;  
THENCE S88°26'54"E FOR 42.24 FEET TO THE POINT OF BEGINNING.

CONTAINING 257,522 SQUARE FEET (5.912 ACRES), MORE OR LESS.

THE DESCRIPTION SKETCH AND THE DESCRIPTION TEXT COMPRISE THE COMPLETE LEGAL DESCRIPTION.

THE LEGAL DESCRIPTION IS NOT VALID UNLESS BOTH ACCOMPANY EACH OTHER. REPRODUCTIONS OF THIS DOCUMENT ARE NOT VALID WITHOUT THE ORIGINAL SIGNATURE AND STAMP, OR A DIGITALLY VERIFIED ELECTRONIC SIGNATURE AND SEAL, OF A FLORIDA LICENSED SURVEYOR AND MAPPER EMPLOYED BY BROWN & PHILLIPS, INC.

\_\_\_\_\_  
JOHN E. PHILLIPS, III  
PROFESSIONAL LAND SURVEYOR  
STATE OF FLORIDA No. 4826  
DATE: \_\_\_\_\_

REVISIONS:

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E-Mail: info@brown-phillips.com

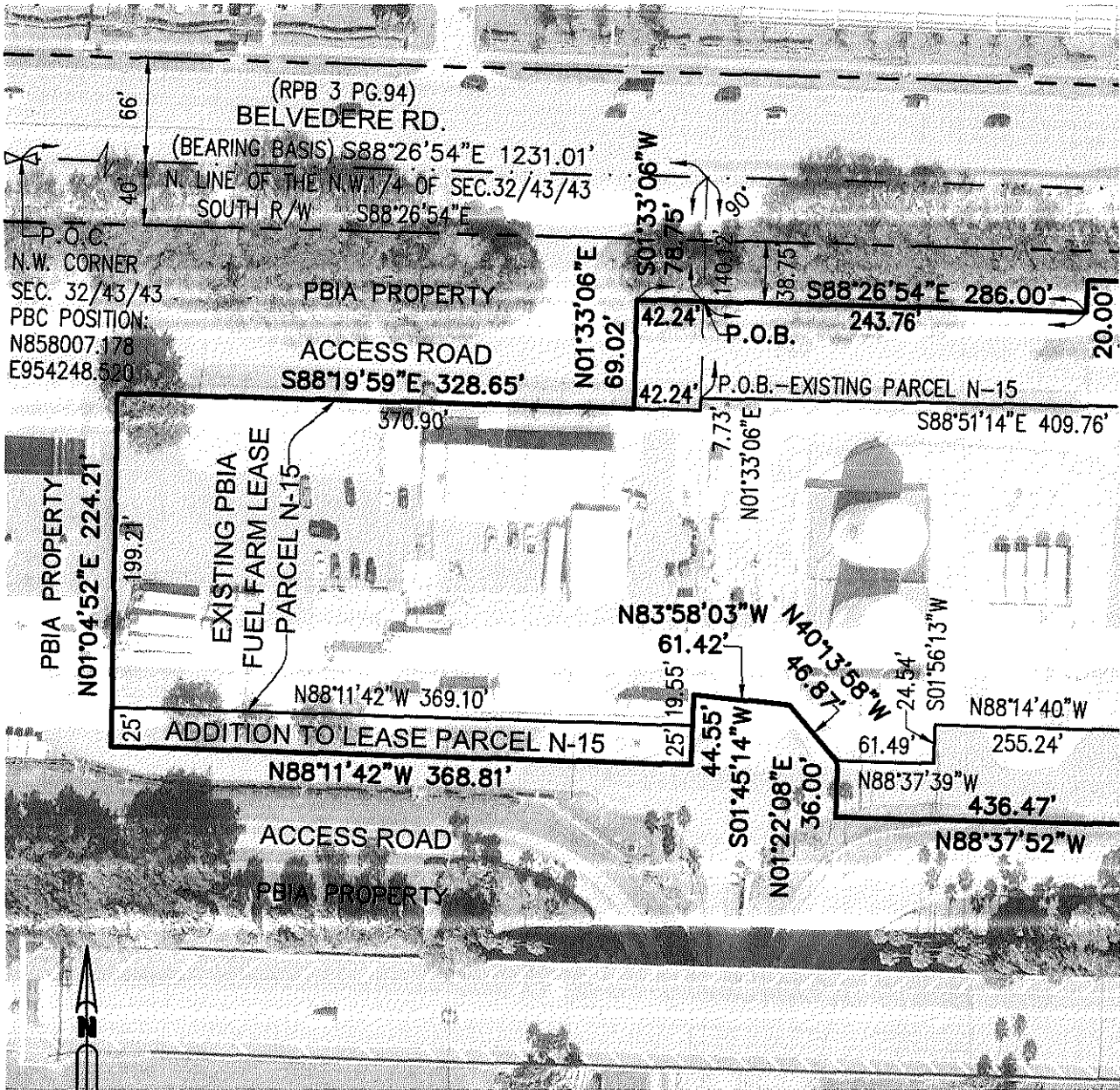
**BROWN & PHILLIPS, INC.**  
PROFESSIONAL SURVEYING SERVICES  
CERTIFICATE OF AUTHORIZATION # LB 6473  
1860 OLD OKEECHOBEE ROAD., SUITE 509,  
WEST PALM BEACH, FLORIDA 33409  
TELEPHONE (561)-615-3988, 615-3991 FAX

**PARCEL N-15 MENZIES FUEL FARM  
LEASE PARCEL EXPANSION AT PBIA**  
(THIS IS NOT A SURVEY)

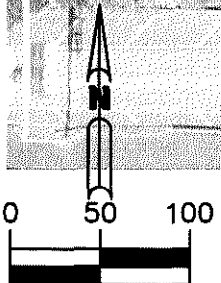
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CHECKED: JEP	SCALE: NONE
LEGAL DESCRIPTION	DATE: 5/24/22
	SHEET 1 OF 4



EXHIBIT A



SEE SHEET 3 OF 4



SCALE: 1" = 100'

**B** BROWN & PHILLIPS, INC.  
 PROFESSIONAL SURVEYING SERVICES  
 CERTIFICATE OF AUTHORIZATION # LB 6473  
 1860 OLD OKEECHOBEE ROAD., SUITE 509,  
 WEST PALM BEACH, FLORIDA 33409  
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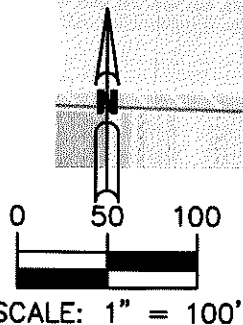
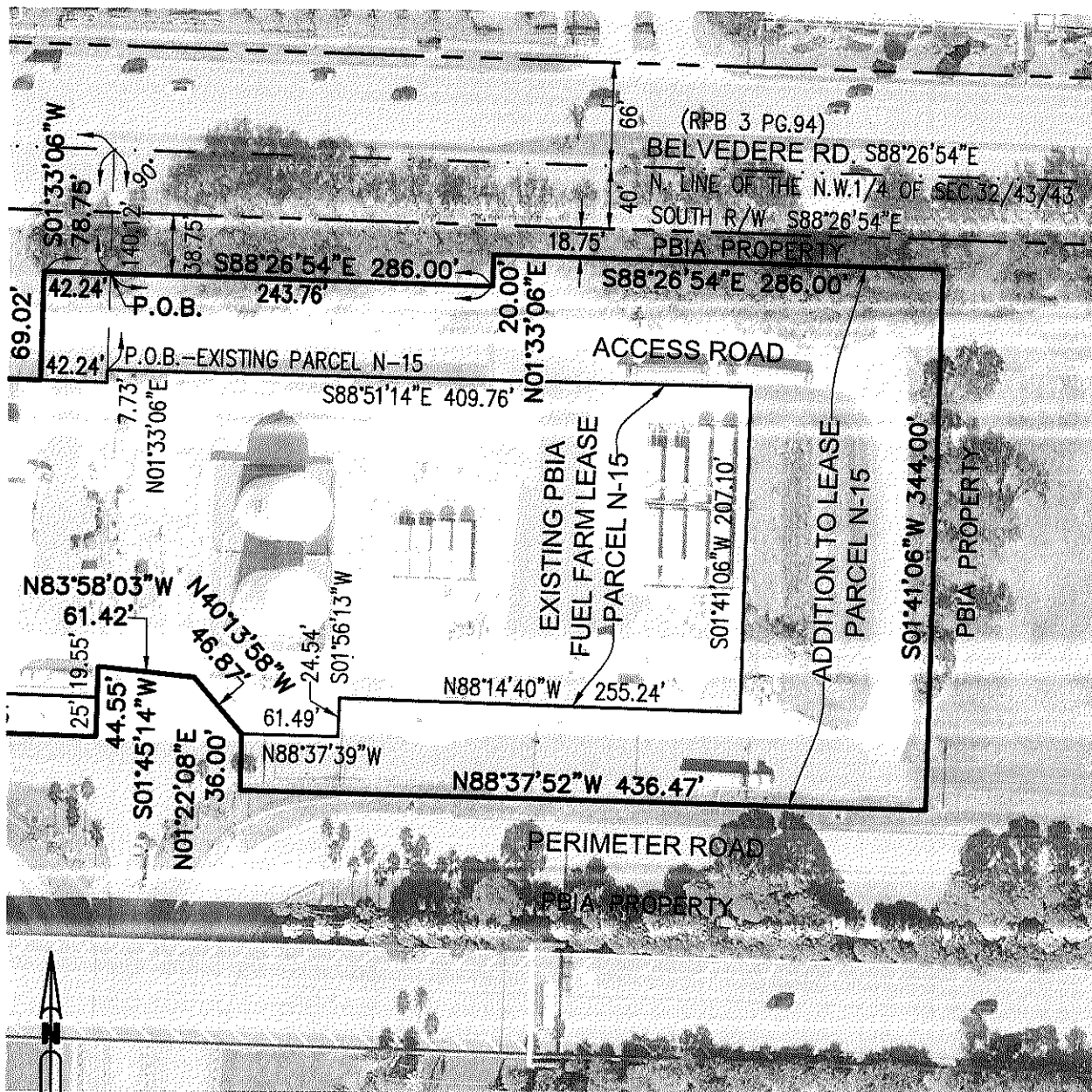
E-Mail: info@brown-phillips.com

PARCEL N-15 MENZIES FUEL FARM  
 LEASE PARCEL EXPANSION AT PBIA  
 (THIS SKETCH IS NOT A SURVEY)

DRAWN: MDB	PROJ. No. 22-065
CHECKED: JEP	SCALE: 1" = 100'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION	DATE: 5/24/22 SHEET 2 OF 4

EXHIBIT A

SEE SHEET 2 OF 4



**B** BROWN & PHILLIPS, INC.  
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 LEASE PARCEL EXPANSION AT PBIA  
 (THIS SKETCH IS NOT A SURVEY)

DRAWN: MDB	PROJ. No. 22-065
CHECKED: JEP	SCALE: 1" = 100'
SKETCH TO ACCOMPANY LEGAL DESCRIPTION	DATE: 5/24/22
	SHEET 3 OF 4

EXHIBIT A

NOTES:

1) AREAS:

EXISTING LEASE PARCEL N-15 = 158,813 SQUARE FEET (3.6458 ACRES), MORE OR LESS.  
PROPOSED EXPANDED PARCEL N-15 = 257,522 SQUARE FEET (5.912 ACRES), MORE OR LESS.

2) THIS DESCRIPTION IS BASED ON THE FOLLOWING DRAWING FURNISHED TO BROWN & PHILLIPS, INC.:  
"PBIA FUEL FARM LEASE PARCEL N-15 SPECIFIC PURPOSE SURVEY" DRAWING NO.S-3-19-3973,  
PROJECT NO.2019013-07, PREPARED BY THE SURVEY DEPARTMENT OF PALM BEACH COUNTY.

NO SEARCH OF THE PUBLIC RECORDS WAS PERFORMED BY BROWN & PHILLIPS, INC.

3) ABBREVIATIONS:

P.O.C. - POINT OF COMMENCEMENT  
P.O.B. - POINT OF BEGINNING  
P.B. - PLAT BOOK  
RPB - ROAD PLAT BOOK  
PG. - PAGE  
PBC - PALM BEACH COUNTY  
PBIA - PALM BEACH INTERNATIONAL AIRPORT  
R/W - RIGHT-OF-WAY  
SEC. - SECTION  
32/43/43 - SECTION 32, TOWNSHIP 43 SOUTH, RANGE 43 EAST  
NAD - NORTH AMERICAN DATUM

4) BEARINGS ARE BASED ON S88°26'54"E (GRID, NAD '83, 1990 ADJUSTMENT) ALONG THE NORTH  
LINE OF THE N.W.1/4 OF SECTION 32/43/43, PER PALM BEACH COUNTY SURVEY SECTION DATA.



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WEST PALM BEACH, FLORIDA 33409  
TELEPHONE (561)-615-3988, 615-3991 FAX

**PARCEL N-15 MENZIES FUEL FARM  
LEASE PARCEL EXPANSION AT PBIA**  
(THIS SKETCH IS NOT A SURVEY)

DRAWN: MDB	PROJ. No. 22-065
CHECKED: JEP	SCALE: NONE
DESCRIPTION NOTES	DATE: 5/24/22
	SHEET 4 OF 4

**EXHIBIT "B"**  
**PHASE TWO FUEL FARM IMPROVEMENTS**

	Mechanical Improvements	\$ 148,947.20
	Electrical Improvements	\$ 76,989.60
		\$ 1,108,046.40
<i>East Rodway Paving</i>	Civil Improvements	\$ 172,975.00
	<i>East Roadway Total</i>	\$ 172,975.00
<i>Tank Farm #1</i>	Electrical Improvements	\$ 65,416.00
	Civil Improvements	\$ 33,085.40
	Painting	\$ 8,177.00
	<i>Tank Farm #1 Total</i>	\$ 106,678.40
<i>Tank Farm #2</i>	Electrical Improvements	\$ 47,804.00
	Civil Improvements	\$ 37,111.00
	Painting	\$ 8,177.00
	<i>Tank Farm #2 Total</i>	\$ 93,092.00
<i>Tank Farm #3</i>	Electrical Improvements	\$ 42,143.00
	Civil Improvements	\$ 35,853.00
	Painting	\$ 8,177.00
	<i>Tank Farm #3 Total</i>	\$ 86,173.00
<i>Tank Farm - Painting of Tanks by PrimeTech Coatings</i>	Civil Improvements	\$ 8,177.00
	Mechanical Assistance	\$ 12,580.00
	Painting	\$ 201,280.00
	<i>Tank Farm - Painting</i>	\$ 222,037.00
<i>Tank Farm #3 - Diesel Changes &amp; New Gate</i>	Mechanical Improvements	\$ 20,757.00
	Gate & Misc	\$ 28,305.00
	<i>Tank Farm #3 ALTERNATE #2 Total</i>	\$ 49,062.00
<i>Tank Farm - Pneumercator Connectivity to TCS System (requires Farm wifi- \$\$ for this not included)</i>	Mechanical Improvements	\$ 6,919.00
	Equipment, Parts, Electrical & Programming	\$ 30,821.00
	<i>Tank Farm #3 ALTERNATE #2 Total</i>	\$ 37,740.00
<i>STI Inspections of (6) Tanks - Including Cleanings (must do at least 2-3 at a time)</i>	Cleaning & Inspections	\$ 92,463.00
	<i>Tank Farm #3 ALTERNATE #2 Total</i>	\$ 92,463.00
<i>Tank Farm - Refurbishment of (3) F/S Vessels</i>	Mechanical Uninstall/Reinstall	\$ 30,821.00
	Painting of (3) Vessels - (1) at a time	\$ 54,723.00
	<i>Tank Farm #3 ALTERNATE #2 Total</i>	\$ 85,544.00
	<i>Contractor Subtotal</i>	\$ 2,053,810.80
<b><u>Currier TK Breakdown</u></b>	Various Disciplines - Contractor Subtotal	\$ 2,053,810.80
	C&C Engineering, CA & Sub-Consultants	\$ 225,919.19
	<i>Currier TK Subtotal</i>	\$ 2,279,729.99
<b><u>Currier TK Overhead &amp; Taxes</u></b>	Management, Supervision & Direct Project Labor	\$ 214,150.00
	Taxes (7% - Direct Materials; Approx)	\$ 72,400.00
	<i>Total Cost of All Work</i>	\$ 2,566,279.99

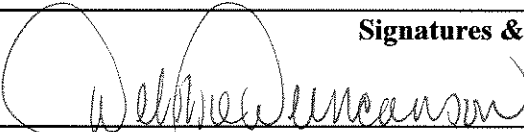

24- 0720

BOARD OF COUNTY COMMISSIONERS  
 PALM BEACH COUNTY, FLORIDA  
 BUDGET TRANSFER

Advantage Document Numbers  
 BGRV:  
 BGEX: 121-042224\*1247

FUND 4111      Airport Improvement & Development Fund

ACCT.NUMBER	ACCOUNT NAME	ORIGINAL BUDGET	CURRENT BUDGET	INCREASE	DECREASE	ADJUSTED BUDGET	EXPENDED/ ENCUMBERED As of 4/22/24	REMAINING BALANCE
<b><u>REVENUES/EXPENDITURES</u></b>								
121-A395-6504	Iotb Non Infrastructure	0	0	1,200,000	0	1,200,000	0	1,200,000
121-A900-9909	Reserves Improvement Program	17,216,760	19,750,162	0	1,200,000	18,550,162	0	18,550,162
<b>Total Receipts and Balances</b>		<b>217,226,377</b>	<b>233,362,680</b>	<b>1,200,000</b>	<b>1,200,000</b>	<b>233,362,680</b>		

<p>Office of Financial Management &amp; Budget  <b>INITIATING DEPARTMENT/DIVISION</b></p> <p>Administration/Budget Department Approval</p> <p>OFMB Department - Posted</p>	<p>Signatures &amp; Dates</p> <p> 5/6/2024</p> <p> 5/17/24</p>	<p>By Board of County Commissioners  <b>At Meeting of</b></p> <p>Tuesday, June 11, 2024</p> <p>Deputy Clerk to the  <b>Board of County Commissioners</b></p>
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