



Interoffice Memorandum

REAL ESTATE MANAGEMENT ITEM 1

DATE: August 30, 2018

TO: Mayor Teresa Jacobs
and the
Board of County Commissioners

THROUGH: Paul Sladek, Manager *PS*
Real Estate Management Division

FROM: Alex Feinman, Leasing Program Manager *AF*
Real Estate Management Division

**CONTACT
PERSON:** Paul Sladek, Manager

DIVISION: Real Estate Management
Phone: (407) 836-7090

**ACTION
REQUESTED:** APPROVAL AND EXECUTION OF SECOND AMENDMENT TO
LEASE AGREEMENT BETWEEN HIGHLANDER INVESTMENTS,
LTD. AND ORANGE COUNTY AND DELEGATION OF
AUTHORITY TO THE REAL ESTATE MANAGEMENT DIVISION
TO EXERCISE RENEWAL OPTION, FURNISH NOTICES, AND
EXECUTE TENANT ESTOPPEL CERTIFICATES REQUIRED OR
ALLOWED BY THE LEASE, IF NEEDED

PROJECT: Forsyth – Fire Rescue Training
2976 North Forsyth Road, Winter Park, Florida 32792
Lease File #1022

District 5

PURPOSE: To continue to provide space for a Fire Rescue training facility.

ITEM: Second Amendment to Lease Agreement
Cost: Year 1 - \$21,040.35 in total rent per month
Year 2 - \$21,571.84 in total rent per month
Year 3 - \$22,109.16 in total rent per month
Year 4 - \$22,665.61 in total rent per month
Year 5 - \$23,227.88 in total rent per month
Size: 22,952 square feet
Term: 5 years
Option: One, 5-year renewal

BUDGET: Account No.: 1009-034-0690-3620

APPROVALS: Real Estate Management Division
Fire Rescue Department

REMARKS: Highlander Investments, Ltd. and Orange County entered into that certain Lease Agreement approved by the Orange County Board of County Commissioners dated August 31, 2004, as extended by Agreement to Exercise Renewal Option dated September 18, 2009, Agreement to Exercise Renewal Option dated September 13, 2011, Agreement to Exercise Renewal Option dated August 7, 2012, and Agreement to Exercise Renewal Option dated January 15, 2013, and as amended by that certain First Amendment to Lease Agreement approved by the Orange County Board of County Commissioners dated September 10, 2013 (collectively, the "Lease") extending Orange County use of the property.

The Second Amendment to Lease Agreement extends the Lease Term for five-years commencing September 22, 2018 and terminating on September 21, 2023. It also provides for one, five-year renewal at Orange County's option. The Second Amendment to Lease Agreement also outlines updated maintenance and repair responsibilities for both parties.

All other terms and conditions of the Lease shall remain in effect.

SEP 11 2018

HIGHLANDER INVESTMENTS, LTD

and

ORANGE COUNTY, FLORIDA

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "**Second Amendment**") is made as of the date last executed below (the "**Second Amendment Effective Date**") and entered into by and between HIGHLANDER INVESTMENTS, LTD., a Florida limited partnership ("**Lessor**") and ORANGE COUNTY, a charter county and political subdivision of the State of Florida ("**Lessee**").

RECITALS:

A. Lessor and Lessee entered into that certain "Lease Agreement" approved by the Orange County Board of County Commissioners (the "**BCC**") dated August 31, 2004 (the "**Original Lease**"), as extended by that certain "Agreement to Exercise Renewal Option" dated September 18, 2009, as extended by that certain "Agreement to Exercise Renewal Option" dated September 13, 2011, as extended by that certain "Agreement to Exercise Renewal Option" dated August 7, 2012, as extended by that certain "Agreement to Exercise Renewal Option" dated January 15, 2013, as amended by that certain "First Amendment to Lease Agreement" approved by the BCC dated September 10, 2013 (the Original Lease, together with all renewals thereof and the amendment thereto, collectively being, the "**Amended Lease**").

B. The term of the Amended Lease is set to expire on September 21, 2018.

C. Lessee desires and Lessor agrees to extend the term of the Amended Lease and amend certain terms and conditions of the Lease.

NOW, THEREFORE, for and in consideration of the mutual premises and covenants contained herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Recitals. The recitals set forth above are true and correct and are incorporated herein by this reference.

2. Definitions. Defined (capitalized) terms used herein, but not defined herein, shall have the meanings given to such terms by the Amended Lease.

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3. Term. Lessor and Lessee hereby agree to extend the term of the Amended Lease for one (1) additional five (5) year term, commencing September 22, 2018 and expiring September 21, 2023 (the **"Second Renewal Term"**).

4. Renewal. Upon the expiration of the Second Renewal Term, Lessee shall have the option to extend the term of the Amended Lease for one (1) additional term of five (5) years, which would commence September 22, 2023 and expire September 21, 2028 (the **"Third Renewal Term"**). The Manager of Orange County's Real Estate Division shall be authorized to approve said renewal.

5. Rent. Rent for Second Renewal Term and Third Renewal Term shall be as set forth in Exhibit "A", attached hereto and thereby made a part of this Second Amendment.

6. Maintenance. Lessor and Lessee hereby acknowledge and agree that, notwithstanding any term or provision of the Amended Lease to the contrary, including but not limited to Section 7 of the Original Lease, that Exhibit "B" to this Second Amendment (attached hereto and incorporated herein by this reference) sets forth the respective maintenance and repair obligations of Lessor and Lessee with respect to the Leased Premises. The maintenance and repair obligations of each party (as set forth in Exhibit B to this Second Amendment) shall be performed by each party at such party's sole cost and expense, without any claim for reimbursement or "pass-through" against the other party.

7. Plumbing System. Notwithstanding any provisions of Exhibit "B" of this Second Amendment to the contrary, for avoidance of doubt, Lessor shall continue to be responsible for maintaining and repairing the plumbing system. Notwithstanding the foregoing, in the event plumbing issues are caused by misuse of Lessee or its employees, invitees and guest of such plumbing systems (including, but not limited to, the introduction of inappropriate items to the plumbing systems), Lessee shall reimburse all reasonably incurred repair costs for the same so long as Lessor provides proof of the misuse and such reasonably incurred repair costs are at comparable market rates.

8. Effect; Conflicts. Except as set forth in this Second Amendment, all other terms and provisions of the Amended Lease are hereby ratified and confirmed and shall remain in full force and effect. In the event of any conflict between the provisions of this Second Amendment and the Amended Lease, the provisions of this Second Amendment shall control.

9. Counterparts. This Second Amendment may be executed in two or more counterpart copies, each of which shall be fully effective as an original, and all of which together shall constitute one and the same instrument. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document.

(signature pages follow)

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IN WITNESS WHEREOF, Lessor and Lessee have caused this "Second Amendment to Lease Agreement" to be executed by their respective officers and parties thereunto duly authorized to be effective as of the Second Amendment Effective Date.

LESSOR:

Signed, sealed and delivered
in the presence of:

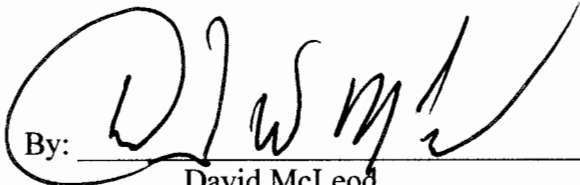
HIGHLANDER INVESTMENTS, LTD.,
a Florida limited partnership
By: **HIGHLANDER INVESTMENTS, INC.,**
a Florida corporation, its General Partner

Witness: Sylvia McLeod

Print Name: Sylvia McLeod

Witness: Chris Jesse

Print Name: CHRIS JESSE

By: 
David McLeod

Title: President and Director

Date: 8/15/2018

DMC

IN WITNESS WHEREOF, Lessor and Lessee have caused this "Second Amendment to Lease Agreement" to be executed by their respective officers and parties thereunto duly authorized to be effective as of the Second Amendment Effective Date.

LESSEE:

ORANGE COUNTY, a charter county and
political subdivision of the State of Florida



By: *Teresa Jacobs*
Teresa Jacobs
Orange County Mayor

ATTEST: Phil Diamond, CPA, County
Comptroller

As Clerk to the Board of County
Commissioners

By: *Lakela Louis*
for Deputy Clerk

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EXHIBIT "A"
Rent Schedule

Total Square Footage:

Office: 6,992
Warehouse: 15,960

Second Renewal Term						
<u>Year</u>	<u>Office PSF</u>	<u>Warehouse PSF</u>	<u>Office Annual</u>	<u>Warehouse Annual</u>	<u>Total Annual</u>	<u>Monthly</u>
1	\$16.48	\$8.60	\$115,228.16	\$137,256.00	\$252,484.16	\$21,040.35
2	\$16.89	\$8.82	\$118,094.88	\$140,767.20	\$258,862.08	\$21,571.84
3	\$17.31	\$9.04	\$121,031.52	\$144,278.40	\$265,309.92	\$22,109.16
4	\$17.74	\$9.27	\$124,038.08	\$147,949.20	\$271,987.28	\$22,665.61
5	\$18.18	\$9.50	\$127,114.56	\$151,620.00	\$278,734.56	\$23,227.88

Third Renewal Term						
<u>Year</u>	<u>Office PSF</u>	<u>Warehouse PSF</u>	<u>Office Annual</u>	<u>Warehouse Annual</u>	<u>Total Annual</u>	<u>Monthly</u>
1	\$18.63	\$9.74	\$130,260.96	\$155,450.40	\$285,711.36	\$23,809.28
2	\$19.10	\$9.98	\$133,547.20	\$159,280.80	\$292,828.00	\$24,402.33
3	\$19.58	\$10.23	\$136,903.36	\$163,270.80	\$300,174.16	\$25,014.51
4	\$20.07	\$10.49	\$140,329.44	\$167,420.40	\$307,749.84	\$25,645.82
5	\$20.57	\$10.75	\$143,825.44	\$171,570.00	\$315,395.44	\$26,282.95

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EXHIBIT "B"
MAINTENANCE RESPONSIBILITY

	Lessor ("Highlander") or Lessee ("County")	Comments
Cabinets, Vanities, and Countertops	Highlander	
Carpet and/or Tile (incl. Deep Cleaning, Repair, and Deep Cleaning)	County	
Changes / Additions to Building	N/A	
Common Area Maintenance	Highlander	Common Area is: exterior shared ingress/egress roadway
Dumpsters / Trash	County	
Elevators	N/A	
Exterior Cleaning	Highlander/County	Highlander: building, windows, low walls, rain gutters, and sidewalks only County: Everything else.
Exterior Doors (incl. Closure Devices, Frames, Molding, etc.)	Highlander	
Exterior Electrical: Meter Base, Outlets, Switches, etc.	Highlander	
Exterior Lighting (Pole and Building Fixtures)	Highlander	
Exterior Painting	Highlander	
Exterior Plumbing (incl. Septic Tanks, Lift Stations, Pumps, etc.)	Highlander*	*See Section 7 of this Amendment*
Exterior Walls, Building Envelope, and other Structural Components	Highlander	
Exterior Windows	Highlander	Replacement of damaged or broken windows
Fire Alarm Systems (incl. False Alarms)	Highlander	Fire Alarm Systems are: smoke alarms
Fire Extinguishers	County	
Generators	N/A	
HVAC (incl. Filters, Repairs, and Replacement)	Highlander	Excludes four (4) County-owned units on warehouse (which County will maintain)
Interior Doors (incl. Closure Devices, Frames, Molding, etc.)	Highlander	
Interior Electrical: Main Switchgear & Breakers	Highlander	
Interior Electrical: Outlets, Switches, Light Fixtures, Distribution Panels, etc.	Highlander	
Interior Decoration (incl. Paint, Hanging Pictures, Shelves, TV's, Dispensers, etc.)	Highlander	
Interior Plumbing: Faucets, Toilets, Sinks, Water Heaters, Appliances etc. (incl. Leaks under Slab or Inside Walls)	Highlander*	*See Section 7 of this Amendment*
Interior Windows, Glass Partitions, Window Treatments, Ceiling Tiles	Highlander	
Irrigation Systems (incl. Controllers, Pumps)	County	
Janitorial	County	
Landscaping (incl. Debris Clean-up & Storm Drainage)	County	Includes, without limitation, Atrium, Trimming, Mowing
Life Safety / Fire Sprinklers / Fire Hood Suppression	County	
Locks / Key Management	County	

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Forsyth Fire Rescue Training Academy

Lease File #1022

Overhead Doors / Automatic Gates (incl. Closure Devices, etc.)	Highlander/County	County: Automatic Gates and Controllers. Highlander: Everything else.
Parking Lot and Driveway (incl. Hardscapes)	Highlander	
Pest Control (incl. removal/disposal of dead animals)	Highlander	
Roof	Highlander	
Security Systems / Cameras	County	
Signage	Highlander/County	Highlander – Address numbers only. County – everything else.
Utilities – Electrical	County	
Utilities – Internet Access, Phones, IT equipment	County	
Utilities – Water / Sewer	County	
Other: Termite Bond / Rodent	Highlander	
Other: Fountain Maintenance in Atrium	County	Including, without limitation, Weed / trash removal by County's Landscaper.
Other: Retention Pond Outfall Containment	County	Including, without limitation, Weed / trash removal by County's Landscaper.
Other:		

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