

**SEMINOLE COUNTY PORT AUTHORITY
MINUTES OF THE REGULAR BOARD MEETING
OCTOBER 21, 2009**

The regular Board Meeting of the Seminole County Port Authority was held in the Board Room of the Administration Building at the Port of Sanford on October 21, 2009.

Chairman Jeffrey Triplett called the meeting to order at 4:00 p.m. with the following directors constituting a quorum: Jeffrey Triplett, Chairman; Thomas Kuhn, Vice Chairman; Matthew T. Brown, Secretary; Kyle Kilger, Treasurer; Dana McBroom, Member; Elizabeth Dorworth, Member; Cliff Miller, Member; Michael Bowdoin, Member; and Dick Van Der Weide, BCC Member.

Staff present: Andrew Van Gaale, Administrator; and Irene Dolgner, Administrative Assistant.

Other present: Stephen H. Coover, SCOPA Attorney.

The invocation was given by Thomas Kuhn, followed by the pledge to the Flag.

The Chairman thanked Mrs. McBroom for her chairmanship during the 2008/2009 fiscal year and presented her with a gavel plaque.

The Chairman asked for corrections or additions to the minutes of the September 16, 2009 Board Meeting.

MOTION WAS MADE BY MATTHEW BROWN, SECONDED BY DANA MCBROOM TO APPROVE THE MINUTES OF THE SEPTEMBER 16, 2009 BOARD MEETING, AS PRESENTED.

MOTION WAS APPROVED UNANIMOUSLY.

The Balance Sheet and Budget Statement for the month of September, 2009 were presented to the Board for discussion and approval.

The Administrator announced that the 2008/2009 audit was performed a couple weeks ago, and will be presented at our next meeting.

The Administrator referred to the revenues and expenditures charts explaining that revenues for the month were over projections by \$11,126, and under projections by \$106,401 at year end. He stated that we ended the year pretty much on target other than the Featherlite deferral which is converted to a Note with a balance of around \$100,000. Expenditures were \$59,745 over projections for the month, and \$31,853 under at year end. Profit totals \$794,772 or 41.14%.

Mr. Van Gaale announced that he presented the \$600,000 check to the Board of County Commissioners at their public hearing on October 13, 2009.

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He stated that the occupancy rate increased to 95.2%. Mr. Kilger questioned whether we have been getting more prospects, and Mr. Van Gaale replied that we have a couple new Leases this month and interest has increased. Our website is getting about 600 hits a month. He further stated that a reporter from the Orlando Sentinel interviewed him yesterday and they compared the Orlando market of 70% occupancy to our 95%. She questioned why our occupancy is so much higher and he answered by saying that we have good rates, a good product, a mix of businesses, and a lot of long-time tenants. He mentioned that he also took her over to the SCC Small Business Development Center where she interviewed Wayne Hardy, and to Acme Industrial Surplus, Inc., a tenant who is doing well during these poor economic times.

MOTION WAS MADE BY ELIZABETH DORWORTH, SECONDED BY KYLE KILGER TO APPROVE THE BALANCE SHEET AND BUDGET STATEMENT FOR THE MONTH OF SEPTEMBER, 2009, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

The Outstanding Bills and Aged Receivables lists were presented to the Board for discussion and approval. The Administrator reviewed the list of bills explaining that the payment to Huckleberry, Sibley & Harvey Insurance in the amount of \$115,239.82 is for the majority of our insurance premium for the new fiscal year. He stated that the total came in at about \$118,000, which is almost the same amount we paid last fiscal year, and we budgeted a 10% increase. He explained that the payment to Wal-Rose, Inc. in the amount of \$5,843.00 is for the extended pipes on the culverts providing a 50' turn radius approved by the Board at the August 19, 2009 meeting. The payment to Darrell Coffie in the amount of \$1,500.00 is for 24 concrete pads poured behind the back doors of all the recently re-skinned buildings.

MOTION WAS MADE BY ELIZABETH DORWORTH, SECONDED BY KYLE KILGER TO APPROVE THE BILLS FOR PAYMENT, AS PRESENTED. THE LIST OF BILLS APPROVED TO BE PAID IS ATTACHED AND MADE A PART OF THESE MINUTES.

MOTION CARRIED UNANIMOUSLY.

The Administrator referred to the Aged Receivables list reminding the Board that Americ Design had written a letter last month stating that he felt he could catch up his account by the end of September, and if he could not, he would vacate his leasehold. Mr. Van Gaale stated that he is in the custom cabinet business, and has been a long-time tenant of ours. He had a long discussion with him today and told him that if he didn't pay his rent by Friday, he would be receiving a Three Day Notice.

The Administrator stated that payment was received from Dirk's Motorworks in the amount of \$918.25 that is not reflected on the list. Florida Extruders has indicated that payment will be mailed on Friday, and Ken's Tuff Trux is hoping to give us a payment this week.

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We received the 61-90 day rent payment from Ocean State Production Services, Inc. this week, and they are hoping business will pick up so they can stay. Their Lease terminates on November 30, 2009, they have a lot of assets in their leasehold, and if they cannot make it, Acme Industrial Surplus, Inc. is ready to expand their leasehold by taking over their unit. R & R Sheet Metal has indicated that they will pay one month's rent on Friday or Monday taking them out of the 31-60 day column. We received payment from Ryan & Reed, Inc. in the amount of \$4,188.34 which is not reflected on the list. Southeast Conveyor paid two month's rent last week, leaving them still owing two months, but their business has finally picked up. We received a payment of \$7,000.00 from Trigyen, Inc. last month, and would like to give them some more time to get another wire transfer to us since he is out of the country.

Mr. Van Gaale stated that we received a payment of \$27,597.40 from Featherlite Coaches, Inc. today covering their October rent, a late charge and one Note payment. They now owe two Note payments and a late charge. He spoke with Jim Wooley, the Vice President, today and Mr. Wooley indicated that they have shifted from a production company to sales and service.

Mr. Van Gaale explained that Watkins Packaging & Associates, Inc. is moving out the end of the month, therefore, their deposit will be applied to their October rent.

Mrs. McBroom asked if Ocean State and Trijyen were ever given a Three Day Notice last month, and Mr. Van Gaale replied that they were, but Ocean State brought by a payment so he withdrew the notice and Trijyen paid the \$7,000 which basically put them in a current status.

ATTORNEY'S REPORT

a) Acteon Networks FL, LLC - Mr. Coover reported that we had a Judgment in the amount of \$5,862.00, and Mr. Nelson, the managing member of Acteon, came in on the last day and submitted his disclosure statements. Mr. Coover summarized the disclosure statements saying that he is a Marine Vet, has three small children, has a wife who doesn't work, his company is out of business and he's making \$340/week as a trainee in the insurance business, he has a home in Winter Springs that has a \$350,000 mortgage and is in disclosure, he has a 2007 Chrysler Sebring which is worth about \$7,000 but is exempt under Florida law since every household gets a vehicle, he has a 1980 Honda CB900 Custom, he has a 2002 Suzuki XL7, he has a 1999 Isuzu truck, and no money in the bank. Mr. Coover stated that the Sheriff charges about \$750 each to go after assets, plus additional attorney fees.

Mr. Coover stated that Mr. Nelson signed a 4506T, so we can get his tax returns if we want to; although, he doesn't think it's worth getting them, but he needs the Board to tell him whether or not to submit for them. We have the ability to go back in Court to increase the amount of our Judgment to include approximately \$600-\$700 in attorney's fees due to his inability to comply with the Court Orders. Mr. Coover recommended that we increase our Judgment and hope that Mr. Nelson gets back on his feet one day and can pay us. The assets he is showing are not what he considers a cost effective levy. Mr. Brown questioned when does a

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Judgment come into play, and Mr. Coover replied usually when somebody goes to buy or sell an asset. It was the consensus of the Board to increase the Judgment.

b) Log Cabin Homes - Mr. Coover reported that, for information purposes, Log Cabin Homes has an existing leasehold mortgage with Wachovia Bank, and they are renewing that loan. Sometimes the banks take all assets which would interfere with our landlord's lien under Chapter 83 and then we have to agree to subordinate, but this is strictly a leasehold mortgage. Their collateral is to be able to come in and take the tenant's position on the Lease, and then try to re-lease or sublease it to somebody else.

c) Featherlite Coaches, Inc. - Mr. Coover reported that he has talked to the Administrator, Administrative Assistant and Mr. Wooley, and his understanding is that the plan they have is that they are finishing up the last coach or two and then they are going to turn it into a sales and service type operation, as Mr. Van Gaale stated earlier. They have 19-20 finished coaches they need to sell, and nobody's buying them because they can't get financing. He reiterated to Mr. Wooley that the Board is not going to let them occupy the space without paying rent, and that we hoped they would keep the Note paid as current as possible. The owners have put over \$2 million into the company, and they've lost \$3.5 million this year. Mr. Coover stated that Associated Bank and G. E. Capital are ahead of us on the liens so they get paid first, and Mr. Wooley told him that he is going to pay utilities and salaries. They are down to 17 employees, and are basically living off of any sale, service or remodeling that they can get, and the rest will come from whatever they can get from the owners.

ADMINISTRATOR'S REPORT

a) Project #148, Re-Sheeting 16,000 s.f. Metal Building and Replacing 16,300 s.f. Concrete Parking Lot (4421 Schilke Way) Update - The Administrator reported that we've been issued the Certificate of Completion, and we will hold the retainage until the punch list is through.

b) Project #149, Re-Sheeting Two (2) 16,000 s.f. Metal Buildings (1501-1529 Dolgner Place and 1535-1563 Dolgner Place) Update - The Administrator reported that the first building is complete, and the second building is 40%-50% complete. He presented a change order request for \$950.00 to replace two electrical boxes.

**MOTION WAS MADE BY ELIZABETH DORWORTH, SECONDED BY
KYLE KILGER TO APPROVE CHANGE ORDER #1 IN THE AMOUNT OF
\$950.00 TO REPLACE TWO ELECTRICAL BOXES ON PROJECT #149.**

MOTION CARRIED UNANIMOUSLY.

c) Five Year Capital Improvement Plan - The Administrator presented an updated Five Year Capital Improvement Plan eliminating the previous fiscal year and adding F.Y. 2013/2014 totaling \$525,000 which includes Dolgner Place Phase II Paving - \$100,000, Port Landscaping

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- \$50,000, Miscellaneous Roof Repairs - \$150,000, Drainage Improvements/Crossings - \$150,000, and Infrastructure Improvements (dock pump) - \$75,000. Mr. Van Gaale explained that some of the roofs will be due for re-coating during the 2013/2014 fiscal year, and some of our driveway crossings have corrugated metal pipe that have collapsed ends which will need repair. The dock pump will hopefully make it another five years, but now that the County has extended the water main down close to the Marina we will be able to hard-line that waterline to the dock and eliminate the pump. If the pump breaks down sooner, we'll move that project up. (Copy of the Five Year Capital Improvement Plan is attached and made a part of these minutes)

d) Legislative Amendments - The Administrator reported that our legislative amendments were advertised today, and will move forward after 30 days to go before the Florida Legislature in 2010 for approval.

e) Wal-Rose, Inc. - The Administrator presented a proposal from Wal-Rose, Inc. to remove and replace a 40' x 20' 6" concrete drive at 1515 Kastner Place. He stated that when we re-negotiated the five year Lease with Water Specialists they asked that we fix their driveway, and he told them he'd bring it to the Board. He showed pictures of the driveway that is uneven and cracked, and explained that the drivers operating heavy trucks are apprehensive about running over it. Wal-Rose has the contract with the County to replace the waterlines, but is only replacing the part of the driveway that they dug up under that contract. Their proposal is to remove 89 SY of concrete for \$178.00, and to replace 89 SY of 6" concrete drive apron for \$3,738.00, totaling \$3,916.00. Mr. Van Gaale recommended that we accept their proposal while they are still mobilized here.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY DANA MCBROOM TO APPROVE THE PROPOSAL FROM WAL-ROSE, INC. IN THE AMOUNT OF \$3,916.00, AS PRESENTED.

Under discussion, Mr. Kilger questioned the grade of the concrete, and Mr. Brown added that the proposal doesn't include the p.s.i., but he would recommend a minimum of 3,000.

MOTION WAS WITHDRAWN BY THOMAS KUHN, AND THE SECOND WAS WITHDRAWN BY DANA MCBROOM.

MOTION WAS MADE BY THOMAS KUHN, SECONDED BY DANA MCBROOM TO APPROVE THE PROPOSAL FROM WAL-ROSE, INC. IN THE AMOUNT OF \$3,916.00, AS PRESENTED, AND REQUIRING A MINIMUM OF 3,000 P.S.I.

Under further discussion, Mr. Coover questioned if there is a cost increase to be expected with the demand of a minimum of 3,000 p.s.i., and Mr. Brown replied that from a professional standpoint, 3,000 minimum is what would be used anyway for a truck bay, so he didn't feel a cost increase would be expected. Mr. Coover clarified that the Administrator will try to get as much p.s.i. as he can without a cost increase.

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MOTION CARRIED UNANIMOUSLY.

OLD BUSINESS

There was no old business.

NEW BUSINESS

a) Leases - The following list of Leases was presented for approval:

- a) New Lease - Comfort Rooms of Florida, Inc., 1980 Dolgner Place, Suite 1028, beginning October 1, 2009 through September 30, 2010, at the monthly rate of \$850.00 (1,212 s.f. warehouse, 288 s.f. office @ a blended rate of \$6.80/s.f.), personal guarantee.
- b) New Lease - Kurt D. Shirley d/b/a Shirley Motor Sports, 1470 Kastner Place, Suite 120, beginning October 1, 2009 through September 30, 2010, at the monthly rate of \$725.00 (1,500 s.f. warehouse @ \$5.80/s.f.).
- c) Lease Renewal - Acme Industrial Surplus, Inc., 1461 Kastner Place, Suites 117-129, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$2,539.00 (8,000 s.f. warehouse @ \$3.81/s.f., plus lot), personal guarantee.
- d) Lease Renewal - Acme Industrial Surplus, Inc., 1471 Kastner Place, Suite 105, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$800.00 (2,000 s.f. warehouse @ \$4.80/s.f.), personal guarantee.
- e) Lease Renewal - Amick Custom Woodcraft & Design, Inc., 1450 Kastner Place, Suites 112 & 116, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$1,900.00 (2,436 s.f. warehouse, 492 s.f. office @ a blended rate of \$7.60/s.f.), personal guarantee.
- f) Lease Renewal - Jamie E. Fallen d/b/a Bandit Performance, 1517 Dolgner Place, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$800.00 (2,000 s.f. warehouse @ \$4.80/s.f.).
- g) Land Lease Renewal - Heritage Operating, L.P., 4350 Carraway Place (.1270 acre), beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$116.00 (\$10,961/acre/yr.). Publicly traded company; do not give personal guarantees.
- h) Lease Renewal - Luis Flooring, Inc., 4421 Schilke Way, Suite 112, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$893.00 (1,747 s.f. warehouse, 253 s.f. office @ a blended rate of \$5.36/s.f.), personal guarantee.
- i) Lease Renewal - Network Electrical Systems, Inc., 1958 Dolgner Place, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$1,050.00

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- (1,212 s.f. warehouse, 288 s.f. office @ a blended rate of \$8.40/s.f.), personal guarantees.
- j) Lease Renewal - Roger Pinkerton, 1471 Kastner Place, Suite 125, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$778.00 (2,000 s.f. warehouse @ \$4.07/s.f., plus \$100/mo. for lot).
 - k) Lease Renewal - Jeffrey Foster d/b/a Storm Machinery & Services, 1450 Kastner Place, Suite 108, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$900.00 (1,212 s.f. warehouse, 288 s.f. office @ a blended rate of \$7.20/s.f.).
 - l) Lease Renewal - Trijyen, Inc., 1470 Kastner Place, Suites 100-108, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$2,280.00 (4,212 s.f. warehouse, 288 s.f. office @ a blended rate of \$6.08/s.f.), personal guarantee.
 - m) Lease Renewal - Tru-Mark, Inc., 1900-1904 Dolgner Place, beginning November 1, 2009 through October 31, 2010, at the current monthly rate of \$1,718.00 (2,712 s.f. warehouse, 288 s.f. office @ a blended rate of \$6.87/s.f.), personal guarantee.

The Administrator explained that the Land Lease renewal with Heritage Operating, L.P. (Item #7) is a publicly traded company and does not give personal guarantees, and we've never required one in the past. Mr. Coover added that we've, historically, not required personal guarantees with publicly owned companies which is why we didn't have a personal guarantee with Featherlite, because they were at one time publicly traded on the NASDAQ. The Chairman questioned if we are willing to approve Lease renewals when someone has an outstanding account (referring to Trijyen, Inc.). Mr. Coover replied that what you are doing is signing them up for a note payment for next year, and you're basically obligating them to pay you more for the space. You can always enter into new agreements while there's issues out there.

MOTION WAS MADE BY ELIZABETH DORWORTH, SECONDED BY CLIFF MILLER TO APPROVE ITEMS 1-13, AS PRESENTED.

MOTION CARRIED UNANIMOUSLY.

There being no further business, the meeting was adjourned at 4:54 p.m. by Chairman Triplett.

Jeffrey Triplett, Chairman

Matthew Brown, Secretary