

20 NORTH MAIN STREET • SUITE 462 • BROOKSVILLE, FLORIDA 34601

P 352.754.4122 • F 352.754.4001 • W www.HernandoCounty.us

October 19, 2023

Via certified mail and U.S. Mail

Myers Business Services, Inc., Registered Agent Hernando Beach Marine Group, Inc. 624 Decatur Ave. Brooksville, FL 34601-3236

Re: Notice to Cure Breach of Lease Agreement Between Hernando County Water and Sewer District and Hernando Beach Marine Group, Inc.

To Whom It May Concern:

Please accept this letter as notice that the Hernando Beach Marine Group ("HBMG") is in breach of its October 21, 2008 Lease Amendment ("2008 Lease Amendment"), November 1, 1999 Lease Amendment ("1999 Lease Amendment"), and March 1, 1982 Lease ("Master Lease") with Hernando County (the "County").

HBMG has violated Section 3(b) of the 2008 Lease Amendment. That provision provides that in exchange for the County's granting permission to HBMG to sublease a portion of the leased property for the installation of communication towers, HBMG agrees to pay the County 50% of any rent that HBMG receives from such sublessees. HBMG, however, last made payment to the County for its share of the sublessee rent in December of 2022.

It is my understanding that there are three cell phone antennae on the cell phone tower at the leased property. Thus, pursuant to Section 3(b) of the 2008 Lease Amendment, HBMG currently owes the County 10 months of sublessee rent at \$750.00 per month, for a delinquency of \$7,500.00. This delinquent amount has been accruing interest at the maximum legal rate as each payment came due, resulting in an additional \$553.10 in interest for a total delinquent amount of \$8,053.10 owed to the County as of the date of this letter.

HBMG is also in breach of Section 3C of the Master Lease, which requires HBMG to maintain "comprehensive public liability insurance covering the premises and its appurtenances in the amount of \$100,000 for bodily injury of any one person, \$100,000 for bodily injury in one occurrence and property damage insurance in the amount of \$25,000." Currently, HBMG has not provided a certificate of insurance to the County showing insurance coverage on the leased property.

Lastly, HBMG recently let the building on the leased property become uninhabitable from water damage by allowing the insurance on the leased property to lapse, which caused waste on the leased property in violation of Section 6 of the Master Lease.

Please cure HBMG's breach of the Master Lease and 2008 Lease Amendment by paying \$8,053.10, by providing a copy of the appropriate certificate of insurance covering the leased property, and by repairing all damage on the leased property within 120 days of this notice.

If HBMG does not cure its breach within 120 days from this notice, the BOCC will have no choice but to terminate the entire lease agreement, retake possession of the property pursuant to Section 4D of the Master Lease, and institute legal action to recover all sums, damages, interest on the delinquent amounts, and attorneys' fees and costs due to the County. I hope such a course of action is not necessary.

I look forward to your compliance with the lease provisions.

Sincerely,

Kyle J. Benda Kyle J. Benda

Assistant County Attorney

cc: Dr. John Paul Reeve, President, Hernando Beach Marine Group, Inc.
Ronald W. Sikes, Esq., Attorney for Hernando Beach Marine Group, Inc.
Jeffrey Rogers, P.E., Hernando County Administrator
Toni Brady, Hernando County Deputy County Administrator
Kelly L. Soreng, Hernando County Real Property Supervisor
Ryan D. Lepene, President of K2 Towers II, LLC