



FLORIDA DEPARTMENT OF Environmental Protection

Northeast District
8800 Baymeadows Way West, Suite 100
Jacksonville, Florida 32256

Ron DeSantis
Governor

Jeanette Nuñez
Lt. Governor

Shawn Hamilton
Interim Secretary

June 22, 2020

CERTIFIED MAIL-RETURN RECEIPT

Mr. Jani Salonen, President
Salonen Marine, Inc.
86134 Maple Leaf Place
Yulee, Florida 32097

SUBJECT: Department of Environmental Protection v. Salonen Marine, Inc.
OGC File No. 21-0497
ERP ID No. 100521
Nassau County – ERP Enforcement

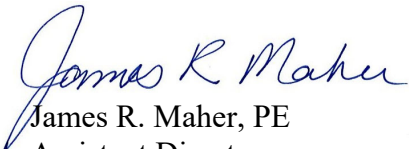
Dear Ms. Salonen:

Enclosed is the Consent Order to resolve the issues in the subject OGC File. Please review the Consent Order and, if you find it acceptable, sign and return the original document to this office within 14 days of receipt.

If you wish to modify the Consent Order, please respond to this office in writing within 14 days, explaining your concerns including any proposed changes.

If you have any questions concerning the Consent Order, please contact Allison Cala, at (904) 256-1562, or via email, at Allison.Cala@FloridaDEP.gov. Your continued cooperation in the matter is greatly appreciated.

Sincerely,


James R. Maher, PE
Assistant Director

FDEP-NED: Vince Clark, Keri Armstrong, Chrissy Sellers, Arlene Wilkinson, DEP_NED

STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION AND BOARD OF TRUSTEES OF
THE
INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA

STATE OF FLORIDA DEPARTMENT)	IN THE OFFICE OF THE
OF ENVIRONMENTAL PROTECTION)	NORTHEAST DISTRICT
and BOARD OF TRUSTEES OF THE)	
INTERNAL IMPROVEMENT TRUST FUND)	
OF THE STATE OF FLORIDA,)	
)	
)	
)	OGC FILE NO. 21-0497
vs.)	
)	
SALONEN MARINE, INC.)	
)	
)	
)	
)	

CONSENT ORDER and TEMPORARY USE AGREEMENT

This Consent Order and Temporary Use Agreement (“Order”) is entered into between the State of Florida Department of Environmental Protection (“Department”) and Board of Trustees of the Internal Improvement Trust Fund of the State of Florida (“Board”), as complainants, and Salonen Marine Inc. (“Respondent”) to reach settlement of certain matters at issue between the Department , the Board and Respondent.

The Department and the Board find that the Respondents admits the following:

1. The Department is the administrative agency of the State of Florida having the power and duty to protect Florida's air and water resources and to administer and enforce chapter 373, Part IV, and Chapter 403, Florida Statutes (“Fla. Stat.”), and the rules promulgated and authorized thereunder, Title 62, Florida Administrative Code “(Fla. Admin. Code)”. The Department has jurisdiction over the matters addressed in this Order.

2. The Board is responsible for overseeing state lands and ensuring they are managed in trust for the citizens of the State of Florida pursuant to Chapter 253, Fla. Stat., and title 18, Fla. Admin. Code. The Department has the duty to perform all staff duties and functions related to the administration of state lands as provided in Section 253.002, Fla. Stat.

3. Respondents are a person within the meaning of sections 253.04 and 373.019(15), Fla Stat.

4. Respondent Salonen is the tenant of real property located at 325 Pogy Place, Fernandina Beach, Florida, 32034 (Facility), Latitude 30.69431352, Longitude -81.45946854. Nassau County Parcel ID:13-3N-28-0000-0002-0010 as depicted in Exhibit A, attached hereto and incorporated herein. The Facility is adjacent to St. Mary's River, a Class III Waterbody, as defined in Rule 62-302, Fla. Admin. Code. The Department has assigned the Facility a Solid Waste ID Number 100521 and ERP Site Number 395976.

5. The Department and the Board find that the Respondent violated Chapter 403, Fla. Stat., and Chapter 62-701, 62-330, 18-14 and 18-21, Fla. Admin. Code, respectively. Inspections were conducted by Department personnel on December 4, 2020 and March 22, 2021 which revealed that the property is being used to process derelict and hurricane damaged vessels ("solid waste") for recycling and disposal without a registration or a permit. Solid waste was being stored and or processed within 200 feet of contacting natural water bodies under jurisdiction of the Department without leachate controls. Unauthorized placement of fill was found within a surface water. Unauthorized use of sovereign submerged state lands ("Sovereign Lands") without a valid permit from the Department and valid sovereignty submerged lands lease/easement from the Board ("Proprietary Authorization") to use Sovereign Lands. The above described activities were conducted on these Sovereign Lands within the landward extent of the St. Mary's River, waters of the state, as defined by Florida Law, adjacent to the riparian upland real property without the Board's approval or authorization.

6. Respondent desires to enter into this Order to resolve these violations and to use the Sovereign Lands and water column adjacent to the riparian upland real property described in paragraph 4 of this Order.

7. Respondent desires to obtain Proprietary Authorization from the Board to use the structures located on the Sovereign Lands as depicted in Exhibit B, attached hereto and incorporated herein.

8. The parties acknowledge that the application, approval and issuance of Proprietary Authorization to use the Sovereign Lands may require a time period of several months.

9. The Respondent desires to have the temporary use of the structures located on Sovereign Lands during the process of removing the unauthorized vessels, solid waste and fill from sovereign submerged state lands.

Having reached a resolution of the matter Respondent, the Department and the Board mutually agree, and it is, **ORDERED:**

10. Within 365 days of the effective date of this Order, Respondent shall use best management practices to remove unauthorized vessels, solid waste and .06 acres of fill from sovereign submerged lands and surrounding uplands adjacent to the St. Mary's River. Respondent shall protect all wetland areas or water bodies which are outside the specific limits of construction from erosion, siltation, scouring, excess turbidity, or dewatering. Turbidity curtains and other such erosion/turbidity control devices shall be installed pursuant to Florida Stormwater, Erosion, and Sedimentation Control Inspector's Manual, Fourth Impression – October 2002, website address: <http://www.dep.state.fl.us/water/nonpoint/docs/erosion/erosion-inspectors-manual.pdf>, prior to the commencement of dredging, filling, or construction activity. The devices shall remain functional at all times and shall be maintained on a regular basis. Turbidity and/or sedimentation resulting from any activities associated with the project shall not be allowed to enter waters of the State. Floating turbidity curtains (FDOT Type II or equivalent) shall be used to surround all open water work areas and shall remain in place until such time as turbidity levels within these work areas have reduced sufficiently so as not to exceed the State water quality standards.

11. Within 90 days of the effective date of this Order, Respondent shall pay the Department \$12,000 in settlement of the matters addressed in this Order. This amount includes \$500 for costs and expenses incurred by the Department during the investigation of this matter and the preparation and tracking of this Order. The civil penalties are apportioned as follows: \$5,500 for violation of Sections 62-701.300(1)(a), 62-701.300(2)(d) and 62-701.300(2)(e), Fla. Admin. Code, \$6,000 for violation of Section 403.121(3)(c), Fla. Stat., and 62-330, 18-14 and 18-21, Fla. Admin. Codes. Respondent shall make all payments required by this Order by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order becomes final, effective and filed with the Clerk of the Department before ability to make online payment is available.

12. Respondent agrees to pay the Department stipulated penalties in the amount of \$100 per day for each and every day Respondent fails to timely comply with any of the requirements of paragraphs 10 and 11 of this Order. A separate stipulated penalty shall be assessed for each violation of this Order. Within 30 days of written demand from the Department, Respondent shall make payment of the appropriate stipulated penalties to the "The Department of Environmental Protection" by cashier's check or money order and shall include thereon the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." The Department may make demands for payment at any time after violations occur. Nothing in this paragraph shall prevent the Department from filing suit to specifically enforce any of the terms of this Order. Any penalties assessed under this paragraph shall be in addition to the settlement sum agreed to in paragraph 11 of this Order. If the Department is required to file a lawsuit to recover stipulated penalties under this paragraph, the Department will not be foreclosed from seeking civil penalties for violations of this Order in an amount greater than the stipulated penalties due under this paragraph.

13. Within 180 days of the effective date of this Order, Respondent shall pay the Board \$48,436.33 for deposit into the Internal Improvement Trust Fund as compensation for the past and current use of the Sovereign Lands without the approval or authorization of the Board. Such payment, which shall be in the form of a cashier's check, certified check, or money order payable to the Department of Environmental Protection shall be delivered to the Board's Accounting Office, Post Office Box 3070, Tallahassee, Florida, 32315-3070.

14. The consideration paid for this Order includes the fees due for the use of the Sovereign Lands from January 1, 2017, through January 1, 2021. This consideration is not refundable, notwithstanding the denial of Proprietary Authorization to use the Sovereign Lands by the Board.

15. The Respondent acknowledges that the fees assessed for the Proprietary Authorization to use the Sovereign Lands in this Order after March 1, 2021 are an estimate created using the base rate of \$0.3654 per square foot fee from the 2017-2021 billing cycle times the approximate square footage of the lands preempted by the structures. A supplemental invoice will be generated and issued to the Respondent at the time of consent order execution that accounts for any difference in lease fees owed for the new per square foot fee established on March 1, 2021, which is based on changes in the consumer price index, pursuant to rule 18-

21.011(1)(b), Florida Administrative Code, and changes in the square footage of the preempted area based on a survey supplied by the Respondent pursuant to Respondent's application for Proprietary Authorization to use the Sovereign Lands, and the Respondent hereby agrees to pay the full amount of any additional fees owed to the Board due to these changes within 30 days of the receipt of the supplemental invoice.

16. The Respondent acknowledges and understands that the grant of this Order and the payment of the amount herein does not guarantee that the Board will grant the Respondent a Proprietary Authorization to use the Sovereign Lands or that the Department of Environmental Protection will recommend that the appropriate form of Proprietary Authorization be granted.

17. The Respondent is hereby granted the temporary exclusive use of the structures located on the Sovereign Lands identified above, consisting of approximately 32,302 square feet, waterward of Respondent's leased riparian upland real property described above in paragraph 4. This temporary exclusive use is for a term not to exceed one year from the effective date of this Order, or until the date of execution of Proprietary Authorization to use the Sovereign Lands between the Board and the Respondent, whichever occurs first. The Respondent shall make no claim of title to or interest in the Sovereign Lands identified above solely by reason of occupancy or use thereof under this Order.

18. The existing structures can only be utilized as they were on the effective date of this Order. In the event any part of any of these structures is determined by a final adjudication issued by a court of competent jurisdiction to encroach or interfere with riparian rights of the adjacent upland riparian owner, Respondent agrees to either obtain written consent for the offending structure [or use] from the affected adjacent upland riparian owner or remove the interference or encroachment within 60 days from the date of the adjudication. Failure to comply with this paragraph shall constitute a material breach of this Order and be grounds for immediate termination of this Order at the sole option of the Board.

19. If any event, including administrative or judicial challenges by third parties unrelated to the Respondent, occur which causes delay or the reasonable likelihood of delay, in complying with the requirements of this Order, Respondent shall have the burden of proving the delay was or will be caused by circumstances beyond the reasonable control of the Respondent and could not have been or cannot be overcome by Respondent's due diligence. Economic circumstances shall not be considered circumstances beyond the control of Respondent, nor shall

the failure of a contractor, subcontractor, materialman or other agent (collectively referred to as "contractor") to whom responsibility for performance is delegated to meet contractually imposed deadlines be a cause beyond the control of Respondent, unless the cause of the contractor's late performance was also beyond the contractor's control. Upon occurrence of an event causing delay, or upon becoming aware of a potential for delay, Respondent shall notify the Department and the Board orally within 24 hours or by the next working day and shall, within seven calendar days of oral notification to the Department and the Board, notify the Department and the Board in writing of the anticipated length and cause of the delay, the measures taken or to be taken to prevent or minimize the delay and the timetable by which Respondent intends to implement these measures. If the parties can agree that the delay or anticipated delay has been or will be caused by circumstances beyond the reasonable control of Respondent, the time for performance hereunder shall be extended for a period equal to the agreed delay resulting from such circumstances. Such agreement shall adopt all reasonable measures necessary to avoid or minimize delay. Failure of Respondent to comply with the notice requirements of this Paragraph in a timely manner shall constitute a waiver of Respondent's right to request an extension of time for compliance with the requirements of this Order.

20. Respondent shall allow all authorized representatives of the Department and the Board access to the riparian upland property and the Sovereignty Lands at reasonable times for the purpose of determining compliance with the terms of this Order and the rules and statutes of the Department and the Board.

21. Respondent shall not conduct any dredging, filling, or construction activities on or within the landward extent of waters of the state without first obtaining a valid Department permit or written notification from the Department that the activities appear to be exempt as proposed from Department permitting requirements; nor shall Respondent conduct any activities on state lands below the ordinary or mean high water line without first obtaining the appropriate form of Proprietary Authorization to use the Sovereign Lands from the Board.

22. Entry of this Order does not relieve Respondent of the need to comply with applicable federal, state or local laws, regulations or ordinances.

23. Respondent shall save and hold harmless and indemnify the Board, the Department, and the State of Florida against any and all liability, claims, judgments or costs of whatsoever kind and nature for injury to, or death of, any person or persons and for loss or

damage to any property arising out of or connected with Respondent's occupation and use of the Sovereignty Lands and the structures or activities located thereon. By execution of this Order, Respondent waives any claim it may have against the Department or the Board concerning the Sovereign Lands.

24. The terms and conditions set forth in this Order may be enforced in a court of competent jurisdiction pursuant to sections 120.69, 253.04 and 373.129, Florida Statutes. Failure to comply with the terms of this Order shall constitute a violation of sections 253.04 and 373.430, Florida Statutes.

25. Respondent is fully aware that a violation of the terms of this Order may subject Respondent to judicial imposition of damages, civil penalties of up to \$15,000 per day per violation and administrative fines of up to \$10,000 per day per violation and criminal penalties.

26. The Department and the Board hereby expressly reserve the right to initiate appropriate legal action to prevent or prohibit any violations of applicable statutes, or the rules promulgated thereunder that are not specifically addressed by the terms of this Order.

27. The Department and the Board, for and in consideration of the complete and timely performance by Respondent of the obligations agreed to in this Order, hereby waives its right to seek judicial imposition of damages or civil penalties for alleged violations addressed in this Order. **This waiver does not affect any claim the Department or the Board of Trustees of the Internal Improvement Trust Fund may have for violations not addressed herein, notwithstanding that the other claims may involve the same activities addressed herein.**

28. Respondent acknowledges and waives its right to an administrative hearing pursuant to sections 120.569 and 120.57, Florida Statutes, on the terms of this Order. Respondent acknowledges its right to appeal the terms of this Order pursuant to Section 120.68, Florida Statutes, and waives that right upon signing this Order.

29. Electronic signatures or other versions of the parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order shall be effective until reduced to writing and executed by Respondent, the Department, and the Board.

30. The terms of this Order pertaining to the Respondent's use of the Sovereign Lands may be enforced by the Board notwithstanding that the proprietary authorization granted hereunder has expired.

31. Unless otherwise specified, all submittals and payments required by this Order to be submitted to the Department shall be sent to the Florida Department of Environmental Protection, 8800 Baymeadows Way West, Suite 100, Jacksonville, Florida, 32256.

32. This Order is a settlement of the Department's and the Board's civil and administrative authority arising under Florida law to resolve the matters addressed herein. This Order is not a settlement of any criminal liabilities which may arise under Florida law, nor is it a settlement of any violation which may be prosecuted criminally or civilly under federal law.

33. This Order is a final order pursuant to Section 120.52(7), Florida Statutes, and it is final and effective on the date filed with the Clerk of the Department unless a Petition for Administrative Hearing is filed in accordance with Chapter 120, Florida Statutes. Upon the timely filing of a petition this Order will not be effective until further order.

NOTE: The Board's actions relating to Proprietary requirements contained in this Consent Order are not subject to challenge under Chapter 120, Florida Statutes. Any litigation involving these Proprietary requirements shall be initiated and maintained only in Leon County.

34. Rules referenced in this Order are available at:
<http://www.dep.state.fl.us/legal/Rules/rulelist.htm>.

FOR THE RESPONDENTS:

DATE

Jani Salonen
President of Salonen Marine Inc.

FOR DEPARTMENT USE ONLY

DONE AND ORDERED this _____ day of _____ 2021, in Duval County,
Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Gregory J. Strong
District Director

BOARD OF TRUSTEES OF THE
INTERNAL
IMPROVEMENT TRUST FUND OF THE
STATE OF FLORIDA

By: _____
Gregory J. Strong
District Director, State of Florida
Department of Environmental Protection,
as agent for and on behalf of the Board of
Trustees of the Internal Improvement Trust
Fund of the State of Florida

Filed, on this date, pursuant to Section 120.52, Fla. Stat., with the designated Department Clerk,
receipt of which is hereby acknowledged.

Clerk

Date

cc: FDEP-OGC: Lea Crandall, Agency Clerk

EXHIBIT A

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") dated December 9, 2020 (the "Effective Date") is by and between Menhaden Marine Group, LLC, a Florida limited liability company, whose address is 325 Pogy Place, Fernandina Beach, Florida 32034 (the "Landlord"), and Salonen Marine, Inc., a Florida corporation, whose address is 86134 Maple Leaf Place, Yulee, Florida 32097 (the "Tenant"). Landlord and Tenant may hereinafter be referred to individually as a "party" and collectively as the "parties."

For and in consideration of the mutual premises and covenants set forth below, Landlord and Tenant agree as follows:

1. Definitions. As used in this Lease, the following terms shall have the following meanings:

- a. "Effective Date" shall have the meaning set forth in the Preamble.
- b. "Premises" shall mean a portion of real property located at 925 Pogy Place, Fernandina Beach, Florida 32034, consisting of approximately +/- 1.25 acres of uplands, as more particularly identified and described on Exhibit A attached hereto. For avoidance of doubt, the Premises consists of the uplands above the mean high water line ("MHWL"), as shown on Exhibit A. Land below the MHWL is not included in the Premises.
- c. "Rent" shall mean, during the Term, the sum of \$2,350.00 per month, plus sales tax, payable in advance monthly.
- d. "Rent Commencement Date" shall mean December 20, 2020.
- e. "Term" shall mean the period commencing on the Effective Date and continuing for one year from the Rent Commencement Date ("Initial Term"). Upon expiration of the Initial Term, the term of this Lease shall automatically renew for successive periods of one (1) year (each, a "Renewal Term") unless, at least ninety (90) days prior to the expiration of the Initial Term or any Renewal Term, as applicable, either party gives the other party written notice of its intent not to renew. If a party provides timely notice of its intent not to renew this Lease, then this Lease shall terminate on the expiration of the then-current Term. The terms and conditions of this Lease during any Renewal Term shall be the same as those in effect at the time of renewal, unless otherwise agreed in writing by the parties.

2. Premises, Term and Termination Rights. Landlord hereby leases to Tenant and Tenant leases from Landlord the Premises for the Term (unless sooner terminated as provided herein).

3. Rent. Tenant covenants and agrees to pay to Landlord, without deduction or offset, Rent for the Premises together with all sales or use taxes levied on the use of the Premises beginning on the Rent Commencement Date and payable thereafter without prior offset or deduction on the twentieth (20th) day of each month through the Term.

4. Permitted Use of Premises. Tenant shall use and occupy the Premises for its marine salvage business, which includes the storage of the equipment necessary to operate same. Tenant will neither commit nor permit waste of the Premises. Tenant shall, at its own expense, keep the Premises in good order, condition, and repair. In the event that a governmental authority determines that Tenant's permitted use is in violation of the zoning ordinances applicable to the Premises, Tenant shall be allowed to terminate this Lease without penalty as of the date Tenant vacates the Premises. Upon the expiration or termination of this Lease, Tenant, at its sole cost and expense, shall restore the Premises to as good or better condition as existed upon the date Tenant first occupied the Premises. Notwithstanding the foregoing, such restoration shall include the removal of any hazardous or toxic substances, materials or wastes, including, but not limited to all "hazardous substances" and "hazardous waste" as such terms are defined by 49 CFR 972.101, 40 CFR Part 302, 33 U.S.C. Section 1251 et seq., 33 U.S.C. Section 1321, 33 U.S.C. Section 1317, 42 U.S.C. Section 6901 et seq., 42 U.S.C. Section 6903, or 42 U.S.C. Section 9601 et seq.

5. Compliance with Laws. Tenant shall comply with all laws, ordinances, orders, rules, and regulations of state, federal, municipal, or other agencies or bodies having jurisdiction relating to the use, condition, and occupancy of the Premises, including, but not limited to, any state, federal and local laws and regulations governing or in any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal (whether legal or illegal, accidental or intentional) of any hazardous substances or hazardous waste as those terms are defined in Section 4 above.

6. Default. In the event that Tenant fails to observe, keep, or perform any of the terms, covenants, agreements, or conditions of this Lease for a period of ten (10) calendar days after written notice by Landlord, Landlord may terminate this Lease or enforce such other rights and remedies as are available at law or in equity for Tenant's default under this Lease.

7. Access to Premises. Landlord and its authorized employees, contractors, or agents shall have the right to enter upon the Premises, upon two (2) days' prior written notice to Tenant, at any time that Tenant is open for business, for the purposes of inspecting the same, preventing waste, making such repairs as Landlord may consider necessary, and maintaining, repairing, and servicing the existing structures and facilities located on the Premises. Tenant shall promptly reimburse Landlord for the cost of any repairs or maintenance performed by Landlord which are the obligation of Tenant upon receipt from Landlord of statements therefor.

8. Utility Service. Tenant shall make all arrangements for and shall pay the charges when due for all water, gas and heat, light, power, telephone service, trash collection and all other services and utilities supplied to the Premises during the Term and shall promptly pay all connection and termination charges therefor.

9. Taxes. Landlord shall be responsible for the payment of all real property taxes, assessments, and other governmental charges, including special and unforeseen taxes, assessments, and governmental charges as well as regular and foreseen taxes, assessments, and governmental charges imposed on the Premises by any taxing authority having jurisdiction thereof. Nothing in this Section 9 shall relieve Tenant of its obligation to pay all sales or use taxes levied on the use of the Premises.

10. Condemnation. If the Premises are condemned by legally constituted authority for any public use or purpose the Term hereby granted shall cease from the time when possession thereof is taken by the condemning authority and Rent shall be accounted for as between Landlord and Tenant as of that date. Any minor condemnation or taking of the Premises for construction or maintenance of streets or highways shall not be considered a condemnation or taking for the purposes of this Section 10 so long as the Premises shall not be materially affected and ingress and egress for the remainder of the Premises shall be adequate for the business of the Tenant. Tenant hereby waives, and transfers and sets over to Landlord any rights in any award made to Tenant by any condemnation authority.

11. Alterations; Improvements; Repairs. Except for maintenance, repair, or replacement necessary as a result of the negligence or willful misconduct of Landlord, its agents, employees or contractors, Tenant, at Tenant's cost and expense, shall maintain in good repair and condition all parts of the Premises, ordinary wear and tear and loss by fire or other casualty excepted.

12. Acceptance of Premises. The Premises is being leased to Tenant on an "AS IS" basis and Landlord makes no representation concerning the condition of the Premises or its suitability for the specific use to be made of the Premises by Tenant. Tenant acknowledges that it has fully inspected and accepts the Premises in its present condition.

13. Improvements. Landlord shall not be obligated to make any alterations or improvements to the Premises for use or occupancy by Tenant or to enable Tenant to obtain permits, approvals, or authorizations necessary to use the Premises or to construct or install any leasehold improvements proposed to be installed by Tenant. Tenant shall not make any additional material alterations, changes, additions, or improvements to the Premises without obtaining Landlord's prior written consent, which consent shall not be unreasonably withheld. Any improvements or modifications to the Premises shall be at the sole cost and expense of Tenant. Tenant shall indemnify and save Landlord harmless from all loss, damage, or liability of any kind of nature by reason of or arising out of the making of such alterations, additions, or improvements. Any alterations, additions, or improvements including, but not limited to, all floor covering which are made to the Premises, except unattached trade fixtures or office furniture, shall become and remain the property of Landlord at the termination of this Lease or occupancy of the Premises.

14. Indemnities. Landlord shall not be liable for, and Tenant will indemnify and hold Landlord harmless of and from, all fines, suits, damages, claims, demands, losses, actions, liabilities, and costs (including attorneys' fees) for any injury to person or damage to or loss of property on or about the Premises or by any other person entering the Premises under express or implied invitation of Tenant, or arising out of Tenant's use of the Premises. Landlord shall not be liable or responsible for any loss or damage to any property or the death or injury to any person from any cause whatsoever except Landlord's intentional tortious conduct.

15. Notices. Any notice or document required or permitted to be delivered hereunder shall be deemed to be delivered or given when (a) actually received or (b) signed for or "refused" as indicated on the delivery service return receipt. Delivery may be by personal delivery, Federal Express or other commercially recognized express mail or delivery service or sent via electronic mail (with confirmation of delivery), addressed to the parties hereto at the respective addresses set

forth herein or at such other addresses as they may hereafter specify by written notice delivered in accordance herewith.

16. Insurance.

a. Tenant shall at Tenant's sole expense, obtain and keep in force at all times during the Term, comprehensive general liability insurance including property damage on an occurrence basis, with limits of not less than One Million Dollars (\$1,000,000) combined single limit insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto, as well as pollution insurance with a limit of not less than Five Hundred Thousand Dollars (\$500,000).

b. All insurance for loss or damage to the Premises shall provide that losses, if any, shall be payable to Landlord, and all required liability insurance shall name Landlord as an additional insured. Tenant shall pay the premiums therefor and deliver to Landlord the policies of insurance or duplicates thereof or other evidence satisfactory to Landlord of such insurance coverage. Each insurer shall also agree by endorsement upon the policy or policies issued by it that: (i) it will give thirty (30) days' prior written notice to Landlord of cancellation, non-renewal, or material modification of such policy and ten (10) days' prior written notice for non-payment of premium; and (ii) the coverage of Landlord shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Tenant of any warranties, declarations or conditions of such insurance policy or policies.

17. Assignment. Tenant shall not assign, sublease, transfer, or encumber this Lease or any interest therein without Landlord's prior written consent. No assignment, sublease, or other transfer shall relieve Tenant of its obligations under this Lease. Landlord may assign or otherwise transfer the Premises, or any or all interest in this Lease, without the prior written consent of the Tenant except that Landlord shall ensure the continued validity and enforceability of this Lease against any such transferee as part of the agreement by which such transfer is made. If the ownership of the Premises or the name or address of the party entitled to receive Rent hereunder shall be changed, the Tenant shall, until receipt of proper notice of such change, continue to pay Rent to the party to whom and in the manner in which the last preceding installment of Rent was paid, and each payment shall, to the extent thereof, exonerate and discharge the Tenant.

18. Miscellaneous.

a. Entire Agreement. Any and all riders and exhibits attached to this Lease are made a part of this Lease for all purposes. This Lease contains the entire agreement between the parties hereto and may not be altered, changed, or amended, except by written instrument signed by both parties hereto.

b. No Waiver. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver is writing signed by the waiving party and addressed to the other party, nor shall any custom or practice which may grow up between the parties in the administration of the provisions hereof be construed to waive or lessen the right of Landlord to insist upon the performance by the other party in strict accordance with the terms hereof.

c. Successors and Assigns. The terms, provisions, covenants, and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives.

d. Partial Invalidity. If any term of this Lease, or the application of the term to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Lease, or the application of the term to persons or circumstances other than those as to which the term is held invalid or unenforceable, will not be affected by the application, and each term of this Lease will be valid and will be enforced to the fullest extent permitted by law.

e. Governing Law. This Lease shall be governed by and construed under the laws of the State of Florida in all respects as such laws are applied to agreements entered into and performed entirely within Florida, without giving effect to conflict of law principles thereof.

f. Amendments and Waivers. No amendment of any provision of this Lease shall be valid unless the same shall be in writing and signed by each of the parties. No waiver by either party of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the party giving such waiver. No waiver by either party with respect to any default, misrepresentation, or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

g. Severability. Any term or provision of this Lease that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties agree that the court making the determination of invalidity or unenforceability shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Lease shall be enforceable as so modified.

h. Attorneys' Fees. If either party brings an action to enforce the terms of this Lease or to declare or clarify any rights hereunder, the prevailing party in any such action will be entitled to recover from the non-prevailing party or parties all costs and expenses incurred by the prevailing party in such action, including, but not limited to, reasonable attorneys' fees, paralegal fees, law clerk fees, and other legal costs or expenses, whether incurred at or before trial and whether incurred at the trial level or in any appellate, bankruptcy, administrative or other legal proceeding, including fees incurred determine the entitlement and amount of the fees.

i. Counterparts; Facsimile. This Lease may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument. Facsimile transmission, or e-mail transmission of images in Adobe PDF or similar format, of any signed original counterpart or retransmission of any signed facsimile transmission shall be deemed the same as the delivery of an original.

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 HEALTH DEPARTMENT.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, intending to be legally bound, the parties have caused this Lease Agreement to be duly executed, under seal, to be effective as of the day and year first written hereinabove.

WITNESSES:

W.H. Kavanaugh Jr.
Print Name: W H KAVANAUGH

Teresa Sanders
Print Name: TERESA SANDERS

WITNESSES:

Tanner Salonen
Print Name: Tanner Salonen

Hunter Salonen
Print Name: Hunter Salonen

LANDLORD:

MENHADEN MARINE GROUP, LLC,
a Florida limited liability company

By: William H. Kavanaugh Jr.
Name: William H. Kavanaugh Jr.
Title: Manager

TENANT:

SALONEN MARINE, INC.,
a Florida corporation

By: Jani P. Salonen
Name: Jani P. Salonen
Title: President

**EXHIBIT A
PREMISES**

See attached.

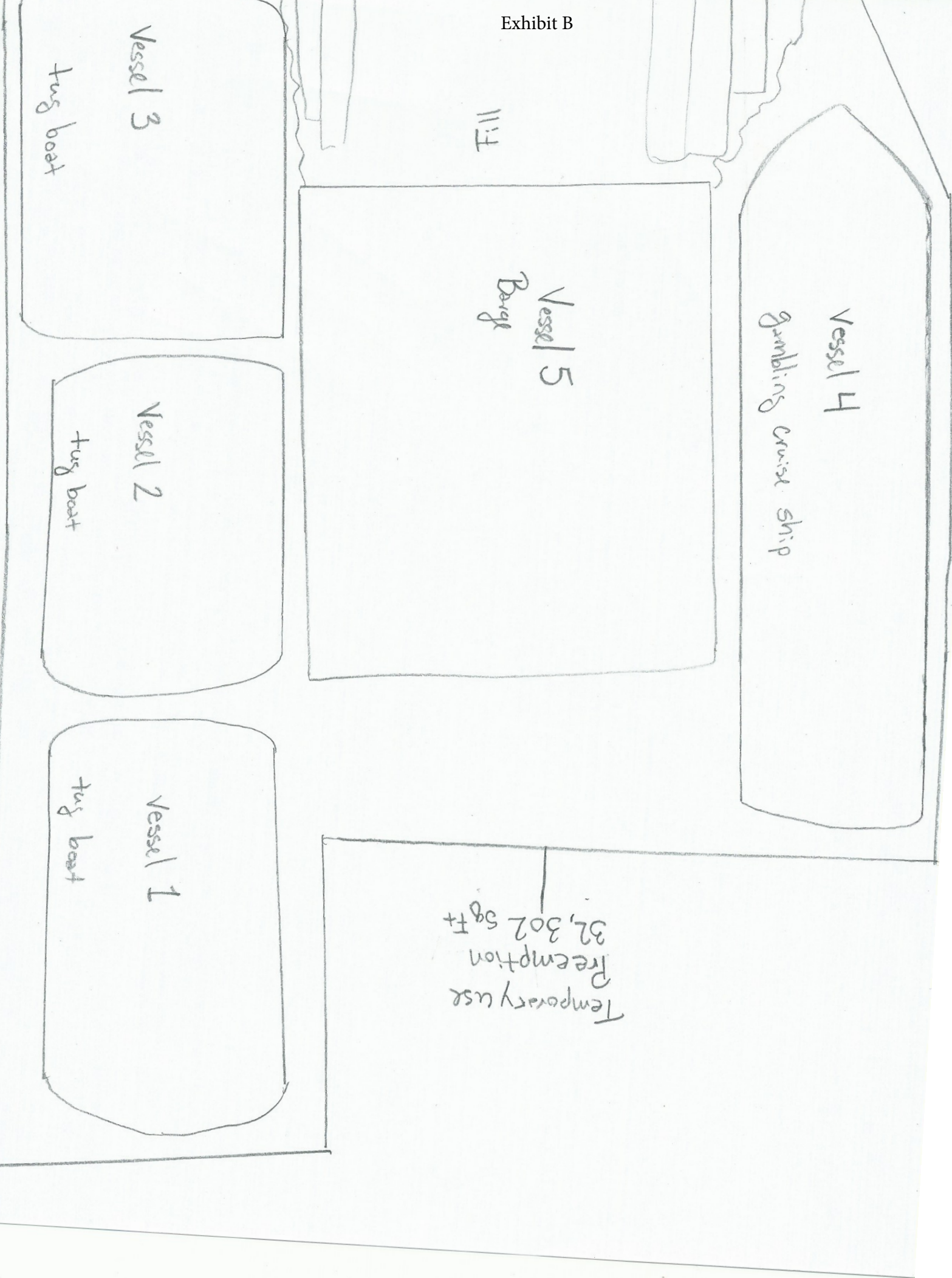


Figure 1. Current configuration of vessels



Figure 2. Area outlined in yellow represents the 32,302 sq. ft. of preempted area which is being granted a temporary use agreement for the period of one year.