

AGREEMENT OF LEASE

THIS AGREEMENT OF LEASE (the “*Lease*”) is made effective as of the _____ day of _____, 2026, by and between **OCALA SE 8TH STREET, LLC, A FLORIDA LIMITED LIABILITY COMPANY**, as Lessor (the “*Landlord*”), and **CITY OF OCALA, A FLORIDA MUNICIPAL CORPORATION**, as Lessee (the “*Tenant*”).

R E C I T A L S:

WHEREAS, Landlord has on substantially even date herewith purchased from Tenant certain real property located in Marion County, Florida, identified as Parcel #28597-000-00 and more particularly described in **Exhibit “A”** hereto; and

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to lease from Landlord, a portion of the real property acquired from Tenant by Landlord, said portion being more particularly described in the attached **Exhibit “B”** (the “*Real Property*”), which Real Property has been improved with an electrical substation/switching yard with related improvements (all existing improvements to the Real Property hereinafter the “*Improvements*”) (the Real Property and Improvements the “*Premises*”); and

WHEREAS, Landlord and Tenant desire to provide for the payment of rent for the Premises, the removal of the Improvements from the Real Property prior to the termination of the Lease, and other matters as more particularly set forth hereinafter.

NOW, THEREFORE, in consideration of the foregoing, and with the intention that they be legally bound, Landlord and Tenant agree as follows:

1. **DEFINITIONS.** The following terms shall have the following meanings:
 - 1.1. “*Improvements*” - shall mean and refer to any structure or artificially created condition or appurtenance located on the Real Property, including any intentional modification or alteration to the natural condition of the Real Property; including, but not limited to, any building, building addition, shed, structural alteration, walk way, sprinkler pipe, irrigation system, road, driveway, parking area, fence, screening wall, retaining wall, tank, stairway, deck, pole, sign, screen enclosure, transformers, switching equipment, electrical substation equipment or other equipment or fixture currently existing on the Real Property or subsequently added thereto by Tenant, including any of the foregoing used for, useful with regard to, or an accessory to the operation of a electrical substation or switching yard from the Real Property.
 - 1.2. “*Permitted Users*” – shall mean and refer to (i) tenants, sub-tenants, concessionaires, licensees, invitees, guests, or owners of the Premises; and (ii)

employees, licensees, customers, visitors, invitees of the tenants, sub-tenants, concessionaires, licensees, guests or owners of the Premises.

1.3. **“Premises”** - shall mean and refer to the Real Property and the Improvements.

1.4. **“Real Property”** – shall mean and refer to the following described real property:

SEE EXHIBIT “B”

2. **PREMISES.** In consideration of the rents to be paid and covenants and agreements to be performed by Tenant, Landlord does hereby lease unto Tenant the Premises. Tenant shall be solely responsible to maintain any of Improvements in good condition and repair at all times.
3. **CONDITION OF PREMISES.** Tenant acknowledges that Tenant was the prior owner of the Real Property, and operated the Improvements as an electrical substation and/or switching yard therefrom, is more familiar with the condition of the foregoing than Landlord, and therefore accepts the same in their *“AS IS”* condition without any representation or warranty by Landlord of any kind or nature. Tenant shall be solely responsible for the cost and expense of maintaining, repairing, operating and replacing any of the Improvements to the Premises (which replacements shall, thereafter, be deemed *“Improvements”*).
4. **LEASE TERM.** The term of this Lease (the *“Initial Lease Term”*) shall begin on the Commencement Date and continue until that day which is four (4) years after the Commencement Date, subject to earlier termination by Tenant as set forth in Section 7 below and further subject to extension as set forth in Section 8 below.
5. **COMMENCEMENT DATE.** As herein used, the term *“Commencement Date”* shall mean the date upon which Tenant conveys the Real property to Landlord.
6. **MINIMUM RENT AND LATE CHARGES.** Tenant shall pay, as rent to Landlord for the Premises in legal tender of the United States a minimum rental as follows:
 - 6.1. On the Commencement Date Tenant shall pay to Landlord, and continuing thereafter on the anniversary date of the Commencement Date during the Initial Lease Term, a minimum annual rental (the *“Base Annual Rental”*) equal to the amount of One Dollar (\$1.00) payable in consecutive annual payments in advance, commencing on the Commencement Date and continuing on the same day of each subsequent year of the Initial Lease Term thereafter.
 - 6.2. All such rent shall, during the Initial Lease Term, be payable in consecutive annual installments in advance on the Commencement Date and on the same day of each succeeding year thereafter. All rent payable under this Lease shall be paid to Landlord without set-off or withholding for any reason and shall be mailed to

Landlord at Ocala SE 8th Street, LLC, 1720 SE 16th Avenue, Building 200, Ocala, Florida 34471, or such other address of which Landlord shall notify Tenant.

- 6.3.** If Tenant shall fail to pay any rent when due, Tenant shall also pay to Landlord an initial late payment service charge covering administrative and overhead expenses equal to \$.05 for each \$1.00 so overdue, plus an additional late payment charge of \$50.00 per day for every day the payment is late. Notwithstanding anything to the contrary contained in this Lease, Tenant shall be in default under this Lease if any or all payments required to be made by Tenant are not made at the time herein stipulated, and neither demand nor collection by Landlord of such late payment service charge shall be construed as a cure for such default on the part of Tenant. A payment is considered late if received five (5) business days or more after such payment is due. If payment made by check is dishonored by Tenant's bank, the amount due shall be deemed a "late payment" and treated as set forth herein. In addition to the late charge, Tenant shall pay to Landlord a service charge covering administrative expenses of \$50.00. If during the term of this Lease more than two (2) of Tenant's checks are dishonored by Tenant's bank, then Landlord, at Landlord's sole discretion, may require all future rent of Tenant to be paid by cashier's check or money order only.
- 7.** **EARLY TERMINATION.** Subject to Tenant meeting the Conditions for Termination set forth in Section 24.1 below Tenant may terminate this Lease at any time (including during any Extension Term) upon proof of satisfaction of such Conditions of Termination and ninety (90) days advance written notice to Landlord.
- 8.** **EXTENSION.** Tenant shall have the option of extending this Lease for an unlimited number of additional one (1) year terms (each an "***Extension Term***"). Tenant may exercise this option by notifying Landlord prior to the end of the then Lease Term (whether the Initial Lease Term or an Extension Term) that the conditions set forth in Section 24.1 below have not been met or that it otherwise elects to exercise the option granted herein. Notwithstanding the foregoing, in the event Tenant has not, as of the end of a Lease Term, (whether the Initial Lease Term or an Extension Term), satisfied the Conditions of Termination set forth in Section 24.1 below, Tenant shall, and shall be deemed to have elected its option to, extend the Lease for another Extension Term. It is the intention of Landlord and Tenant that the Lease will continue in full force and effect, and Tenant shall pay Landlord rental due hereunder, unless and until Tenant has complied with the Conditions of Termination. In the event that Tenant elects or is deemed to have elected to extend the Lease the terms and conditions will remain unchanged except that Tenant shall be obligated to pay Base Annual Rental commencing with the first day of the first Extension Term in the following amounts, which amounts shall be paid, for each Extension Term, in twelve equal monthly payments in advance with the first such payment due on the first day of the Extension Term and continuing on the same day of each succeeding month until the next increase in the Base Annual Rental:

<u>Extension Term</u>	<u>Base Annual Rental</u>	<u>Base Monthly Rental</u>
First	\$50,000.00	\$4,166.67
Second	\$52,500.00	\$4,375.00
Third	\$55,125.00	\$4,593.75

If the Lease has not been terminated by the end of the Third Extension Term Base Annual Rental shall increase thereafter, commencing with the Fourth Extension Term and continuing for each Extension Term thereafter until the Lease is terminated, by ____% over the prior Extension Term’s Base Annual Rental.

Such Base Annual Rental shall be payable in equal consecutive monthly installments (the “*Base Monthly Rental*”) in advance, on the first day of the Extension Term and continuing on the same day of each subsequent month thereafter, for twelve (12) monthly payments, with the Base Annual Rental and the Base Monthly Rental adjusting in accordance with the foregoing schedule on the first day of each subsequent Extension Term and continuing to be paid, in the increased amount, thereafter in advance for twelve (12) monthly payments. All such rent shall be due and payable in accordance with Section 6 above.

9. **USE AND OCCUPANCY.** The Premises during the term of this Lease shall be used for the purposes for which Tenant used the same prior to its conveyance to Landlord, including for the operation of an electric substation and/or switching yard, as well as for the storage and staging of equipment and construction material for use by Tenant in decommissioning such electric substation and/or constructing a replacement electric substation on adjacent property owned by Tenant. Tenant shall not use or permit the Premises to be used, for any purpose other than as specified herein, and shall not use or permit the Premises to be used for any unlawful, disreputable or immoral purposes or in any way which will injure the reputation of Landlord, or will interfere with the use or enjoyment of adjacent properties. In the event it is reasonably and justifiably determined by Landlord that Tenant has permitted the Premises to be used in an undesirable manner such as set forth in this Section, Tenant shall have ten (10) days to correct said violation following written notice from Landlord. Prior to occupancy or use of the Premises Tenant shall, at its own expense, obtain any licenses or permits that are necessary, and shall maintain said licenses and permits through the Initial Lease Term and any Extension Term.

10. **WASTE AND REFUSE REMOVAL.** Tenant covenants that Tenant will use, maintain and occupy the Premises in a careful, safe, lawful and proper manner and will not commit waste therein. Tenant agrees to remove all refuse from the Premises in a timely, clean and sanitary manner. Refuse is to be kept within the Premises until removed therefrom. When removed the refuse will be placed in an appropriate container. In the event Tenant desires to locate in an area of the Real Property a container for the placement and thereafter removal of refuse Tenant shall contract with a licensed or insured refuse collection

contractor to timely remove refuse therefrom. The location of the container is to be approved by Landlord.

11. **UTILITIES.** Tenant agrees to be responsible for and pay for all public utility services rendered or furnished to the Premises during the term hereof, including heat, water, gas, electric, etc., together with all taxes, levies or other charges on such utility services.
12. **TAXES AND OTHER BUSINESS CHARGES.**
 - 12.1. Tenant shall pay all federal, state, and local taxes, excises, duties, and other assessments and charges, now or hereafter levied, ("***Taxes***") of any kind and nature assessed by any governmental authority relating to the operation, occupancy, or use of the Premises or business conducted by Tenant thereon including, without limitation, those Taxes measured by income.
 - 12.2. Unless Landlord elects to do so at Tenant's expense, Tenant shall obtain and maintain, at Tenant's expense and in Tenant's name unless directed by Landlord otherwise, all licenses, registrations, and permits necessary for the operation of Tenant's business on the Premises.
 - 12.3. If Landlord satisfies any of Tenant's obligations under this Section, Tenant shall reimburse Landlord upon demand for the costs incurred by Landlord in doing so without prejudice to any other rights or remedies available to Landlord under this Lease or at Law.
 - 12.4. Tenant shall be responsible for all impact, concurrency, and other fees levied by any governmental authority having jurisdiction in excess of those necessary for a basic retail use of the Premises.
13. **REPAIRS.** Tenant acknowledges that this Lease is intended to be a true "*triple net*" lease, with Tenant responsible for all costs and expenses of repair and maintenance of the Premises.
14. **PROPERTY TAXES.** In addition to all rent, Tenant shall pay all real estate taxes and assessments and personal property taxes levied against the Real Property and Improvements. Tenant shall also pay all taxes which may be levied, assessed or imposed by the state in which the Premises are located or by any political or taxing subdivision thereof, upon or measured by the rent hereunder or the income arising from this Lease, to the extent (and only to the extent) that such taxes are in lieu of or a substitute for any tax on the Premises, the Improvements, or Real Property that would be payable by Tenant under the provisions hereof if such tax were in effect, but it is not intended that Tenant shall be required to pay any taxes to Landlord which are presently denominated as income or franchise taxes. All of the real estate taxes, assessments, personal property taxes, taxes in lieu of real estate taxes, costs and fees as described above are hereinafter collectively referred to as "*Property Taxes*". Notwithstanding anything contained herein to the

contrary, Tenant shall be solely responsible for ad valorem and other taxes on the personal property of Tenant located in the Premises.

15. **TENANT'S TAXES.** Tenant further covenants and agrees to pay promptly when due all taxes assessed against all fixtures, furnishings, equipment and stock-in-trade placed in or on the Premises during the term of this Lease.

16. **LIABILITY INSURANCE.** Tenant will procure and continue in force from and after the date Landlord shall deliver possession of the Premises to Tenant and throughout the term of this Lease: (a) Comprehensive General Liability Insurance with a limit of not less than \$2,000,000.00 combined single limit per occurrence for Bodily Injury or Property Damage, or Commercial General Liability Insurance with a limit of not less than \$2,000,000.00 per occurrence and \$2,000,000.00 Aggregate per Location, endorsement for Bodily Injury and Property Damage, including, in both instances, Personal and Advertising Injury coverages with a limit of not less than \$2,000,000.00 per occurrence; (b) Exterior Sign Insurance & Plate Glass Insurance covering all plate glass in the Premises; and (c) if there is boiler or air-conditioning equipment serving the Premises (whether installed in, adjoining, above or beneath the same), Broad Form Boiler & Machinery Insurance in an amount adequate to cover full replacement value of all improvements and betterments but in no event less than \$500,000.00; (d) Tenant shall also provide Landlord evidence of Automobile Liability coverage with a limit of not less than \$2,000,000.00 and evidence of Worker's Compensation coverage in accordance with State requirements. Landlord shall have the right to periodically raise required coverage limits.
 - 16.1. All of the insurance required under this Section 16, shall name Landlord and its Designee(s) as Additional Insureds and all Insurance policies required under subsections (b) and (c) above shall be issued In the names and for the benefit of Landlord, its Designee(s), and Tenant. A True and Certified copy of each insurance policy with endorsement providing for Landlord's interest as named insured and/or a Standard Accord Form Certificate of Insurance evidencing insurance coverage and confirming the Landlord as additional insured, with the wording "will endeavor to" removed from the cancellation clause and providing a minimum of thirty (30) days written notice to the Landlord, shall be provided to Landlord without demand throughout the term. Such policies shall be issued by one or more responsible Insurance companies satisfactory to Landlord with a minimum Best Rating of A-XI and licensed to do business in the state of Florida. All such insurance may be carried under a blanket policy covering the Premises and any other of Tenant's stores with an endorsement limiting the Landlord's interests to the specified Premises only and shall contain endorsements that (1) such insurance may not be canceled or amended with respect to Landlord (or its Designee[s]), except upon thirty (30) days written notice by registered mail to Landlord (and such Designee[s]), by the insurance company, and (2) Tenant shall be solely responsible for payment of premiums for such insurance. In the event Tenant fails to furnish such insurance as outlined in this Section 23, the Landlord may obtain such insurance and the premiums shall be paid by Tenant to the Landlord upon demand.

- 16.2.** Tenant will indemnify, save harmless, and defend Landlord promptly and diligently at Tenant's sole expense from and against any and all claims and demands in connection with any accident, injury or damage whatsoever caused to any person or property arising directly or indirectly out of Tenant's initial construction, alteration, renovation, remodeling and/or fixturing of the Premises (whether or not occurring prior to the Commencement Date hereof), or out of the business conducted in the Premises or occurring in, on or about the Premises or any part thereof, including the Real Property and facilities, or arising directly or indirectly from any act or omission of Tenant or any of its contractors, subcontractors or concessionaires or subtenants or their respective licensees, servants, agents, employees, contractors or subcontractors, and from and against any and all costs, expenses and liability incurred in connection with any such claim or proceeding brought thereon. Tenant shall not be relieved of any liability resulting solely from negligence of the Tenant. The Comprehensive General Liability Insurance or Commercial General Liability Insurance maintained by Tenant pursuant to this Section 16 above shall specifically insure the contractual obligations of Tenant as set forth herein.
- 16.3.** Tenant agrees, at its own cost and expense, to comply with all of the rules, regulations and recommendations of Landlord's property insurer and any similar body and any governmental authority having jurisdiction. If at any time and from time to time, as a result of or in connection with any failure by Tenant to comply with the foregoing sentence or any act of omission or commission by Tenant, its employees, contractors or licensees, or as a result of or in connection with the use to which the Premises are put (to the extent such use is different or other than Landlord's use of the Premises while owned by Landlord), the fire insurance rate(s) applicable to any adjacent property owned or controlled by Landlord, or an affiliate of Landlord, and/or to the contents in any or all of the aforesaid properties (including rent insurance relating thereto) shall be higher than that which would be applicable for the least hazardous type of occupancy legally permitted therein, Tenant agrees that it will pay to Landlord, on demand, such portion of the premiums for all fire insurance policies in force with respect to the aforesaid properties (including rent insurance relating thereto). If Tenant installs any electrical equipment that overloads the lines in the Premises, Tenant shall, at its own cost and expense promptly make whatever changes are necessary to remedy such condition and to comply with all requirements of Landlord's property insurer and any similar body and any governmental authority having jurisdiction thereof. For the purpose of this paragraph, any finding or schedule of Landlord's property insurer shall be deemed to be conclusive. In the event that this Lease so permits and Tenant engages in the preparation of food or packaged foods or engages in the use, sale or storage of inflammable or combustible material, Tenant shall install chemical extinguishing devices (such as ansul) approved by Underwriters Laboratories and in compliance with existing fire codes and other governmental regulations shall keep such devices under service as required by such organization. If gas is used in the Premises, Tenant shall install gas cutoff devices (manual and automatic).

16.4. Each insurance policy carried by Landlord or Tenant and insuring all or any part of the Premises, including improvements, alterations and changes in and to the Premises made by either of them and Tenant's trade fixtures and contents therein, shall be written in a manner to provide that the insurance company waives all right of recovery by way of subrogation against Landlord or Tenant, as the case may be, in connection with any loss or damage to the Premises, property or businesses, caused by any of the perils covered by fire and extended coverage, and business interruption insurance, or for which either party may be reimbursed as a result of insurance coverage affecting any loss suffered by it. So long as the policy or policies involved can be so written and maintained in effect, neither Landlord nor Tenant shall be liable to the other for any such loss or damage, provided, however, that the foregoing waivers of liability given by Landlord and Tenant to each other shall apply only to the extent of any recovery made by the parties hereto under any policy of insurance now or hereafter issued. In the event of inability on the part of either party to obtain such provision in its policy or policies with the carrier with whom such insurance is then carried, or such carrier's requiring payment of additional premium for such provision, the party so affected shall give the other party written notice of such inability or the increase in premium as the case may be. The party to whom such notice is given shall have fifteen (15) days from the receipt thereof within which: (1) in the case of such inability on the part of the other party, to procure from the aforesaid other party's insurance carrier in writing, at no increase in premium over that paid theretofore by the party so affected, such waiver of subrogation; (2) in the case of increased premium, to pay the other party so affected the amount of such increase; or (3) to waive, in writing, within the time limit set forth herein, such requirement to obtain the aforesaid waiver of subrogation. Should the party to whom such notice is given fail to comply as aforesaid within the same fifteen (15) day period, each and every provision in this paragraph in favor of such defaulting party shall be canceled and of no further force and effect.

17. HAZARD INSURANCE – PREMISES. Landlord shall have no obligation during the Lease Term to carry fire, casualty, extended coverage or other hazard insurance with regard to the Real Property or the Improvements. Tenant shall be solely responsible for the cost and expense of the same in amounts, and with coverage, determined to be reasonable by Tenant in Tenant's sole discretion.

18. HAZARD INSURANCE - FIXTURES, PERSONALTY AND EQUIPMENT. Tenant shall be solely responsible, at Tenant's sole cost and expense, at all times during the term of the Lease, to carry fire, casualty and extended coverage insurance on all fixtures, personalty and equipment which Tenant deems appropriate or advisable. Landlord shall have no responsibility for, or obligation to, provide insurance coverage with regard to Tenant's fixtures, personalty and equipment. Tenant accepts as its sole obligation the risk of loss with regard to any of the foregoing.

19. **LOSS AND DAMAGE.** Except for the negligence of Landlord and/or Landlord's employees, agents or contractors, Landlord shall not be responsible for any damage to property of Tenant or of others located in or about the Premises and/or the Real Property, nor for the loss of or damage to any property of Tenant or of others by theft or misappropriation or otherwise. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or leaks from any part of the Premises or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatever nature. Landlord shall not be liable for any such damage caused by other tenants or occupants of adjacent property.

20. **EMINENT DOMAIN.**

20.1. If any portion of the Premises or the Real Property shall be taken or condemned either permanently or temporarily for any public or quasi-public use or purpose by any competent authority in appropriation proceedings or by any right of eminent domain, then the entire compensation or award therefor, including leasehold, reversion and fee, shall belong to Landlord.

20.2. In the event that more than twenty percent (20%) of the Premises shall at any time after the execution of this Lease be taken by public or quasi-public use or condemned under eminent domain, then at the option of Landlord or Tenant upon the giving of thirty (30) days written notice (after such notice of condemnation), this Lease shall terminate and expire as of the date of such taking and any prepaid rental shall be prorated as of the effective date of such termination.

20.3. In the event only a portion of the Premises, not exceeding twenty percent (20%) of the same, shall be so taken or condemned, and the remaining portion of the Premises can be repaired so as to be commercially fit for the operation of Tenant's business within ninety (90) days after the condemning authority takes possession, then Landlord at its own expense shall so repair the remaining portion of the Premises and there shall be an equitable adjustment of rent for the remainder of the term. If the remaining portion of the Premises cannot be repaired within that ninety (90) day period so as to be commercially fit for the operation of Tenant's business, then this Lease shall terminate and become null and void from the date the authority takes possession, and after that date the parties hereto shall be released from all obligations hereunder except as herein stated. Except as provided in this Section, no other taking, appropriation or condemnation shall cause this Lease to be terminated. No such appropriation or condemnation proceeding shall operate as or be deemed an eviction of Tenant or a breach of Landlord's covenant of quiet enjoyment.

21. **MORTGAGES AND SUBORDINATION; NON-DISTURBANCE AND ATTORNMENT.**

- 21.1.** This Lease shall automatically be subject to and subordinate to the lien of the Mortgage in so far as such lien affects the Real Property, and to all renewals, modifications, consolidations, replacements and extensions of the Mortgage to the full extent of any principal sum secured thereby and any reasonable expenses and interest thereon. If requested by Landlord, Tenant shall execute a Subordination Agreement with ten (10) days of notification by Landlord. It is the condition precedent, however, to the subordination provisions herein provided, that the Landlord shall procure from the holder of any such Mortgage an agreement in writing, executed by Mortgagee, which shall be delivered to Tenant for execution thereof. Failure of Tenant to execute the Subordination Agreement within the time frame specified in this sub-section shall constitute a default and breach of this Lease entitling Landlord to any and all remedies provided herein.
- 21.2.** Provided that Tenant is not in default (beyond any period given to Tenant to cure such default) in the payment of rent or in the performance of any of the terms, covenants or conditions of the Lease on Tenant's part to be performed, Tenant's possession of the Premises, and Tenant's rights and privileges under the Lease, or any extensions or renewals thereof which may be affected in accordance with any option granted in the Lease, shall not be diminished or interfered with by Mortgagee, and Tenant's occupancy of the Premises shall not be disturbed by Mortgagee during the term of the Lease or any such extensions or renewals thereof.
- 21.3.** If the interest of Landlord shall be transferred to and owned by Mortgagee by reason of foreclosure, sale under private power contained in the deed of trust, or other proceedings brought by it, or by any other manner, and Mortgagee succeeds to the interest of Lessor under the Lease, Tenant shall be bound to Mortgagee, and Mortgagee shall be bound to Tenant, under all of the terms, covenants and conditions of the Lease for the balance of the Term thereof remaining in any extensions or renewals thereof which may be affected in accordance with any option granted in the Lease, with the same force and effect as if Mortgagee were Landlord under the Lease, and Tenant does hereby attorn to Mortgagee, as it's Landlord, said attornment to be effective and self-operable without the extension of any further instruments on the part of any of the parties hereto immediately upon Mortgagee's succeeding to the interest of Landlord under the Lease, provided, however, that Tenant shall be under no obligation to pay rent to Mortgagee as it's Landlord, until Tenant receives written notice from Mortgagee, together with evidence satisfactory to demonstrate that it has succeeded to the interest of Landlord under the Lease and directing where such rent should be mailed.
- 21.4.** The respective rights and obligations of Mortgagee and Tenant upon such attornment, to the extent of the then remaining balance of the term of the Lease shall be and are the same as set forth therein, it being the intention of the parties hereto for this purpose to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length herein. If Mortgagee shall succeed to Landlord's interest in the Lease, then Mortgagee shall be bound to Tenant under

all the terms, covenants and conditions of the Lease, and Tenant shall, from and after Mortgagee's succession to the interest of Landlord under the Lease, have the same remedies against Mortgagee for the breach of any agreement contained in the Lease occurring after Mortgagee succeeds to Landlord's interest that Tenant might have had under the Lease against Landlord if Mortgagee had not succeeded to the interest of Landlord. Furthermore, the Mortgagee shall have the same rights to secure any default on the part of Landlord that Landlord would have had.

21.5. Wherever notice is required to be given to Landlord pursuant to the terms of this Lease, Tenant will likewise give such notice to the Mortgagee of which Tenant has received notice.

22. COVENANT OF TITLE AND PEACEFUL POSSESSION. Subject to the mortgage provisions of this Lease, Landlord shall, on or before the date on which Tenant is permitted to install its merchandise and fixtures in the Premises, have good and marketable title to the Premises in fee simple and the right to make this Lease for the term aforesaid. At such time, Landlord shall put Tenant into complete and exclusive possession of the Premises, and if Tenant shall pay the rental and perform all the covenants and provisions of this Lease to be performed by Tenant, then Tenant shall, during the term hereby demised, freely, peaceably and quietly enjoy and occupy the full possession of the Premises and the tenements, hereditaments and appurtenances thereunto belonging or in any wise appertaining (including right to use the Real Property), without molestation or hindrance by any person whomsoever.

23. SUBLEASE OR ASSIGNMENT. Tenant shall not sublease the Premises or any portion thereof or to assign or to mortgage this Lease, directly or indirectly, without the prior written consent of Landlord in each case, which consent shall not be unreasonably withheld. Landlord shall have no obligation to release Tenant from Tenant's obligations under the Lease.

24. TERMINATION CONDITIONS, SURRENDER AND HOLDING OVER.

24.1. As a precondition to, and contingency of, the termination of this Lease, whether by forfeiture, lapse of time, or otherwise, Tenant shall:

24.1.1. cause, if it has not previously done so, all Improvements (excluding any utilities within existing easement and serving the Property or other properties) to be removed from the Premises and the Premises to be free and clear of trash or debris and suitably graded or otherwise leveled for entry by vehicles and construction equipment; and

24.1.2. have delivered to Landlord an environmental audit or assessment of the Real property, certified to Landlord and dated subsequent to Tenant's removal of the Improvements as contemplated by 24.1.1 above, which audit establishes to the reasonable satisfaction of Landlord that there is no environmental contamination of the Real Property and no remediation or other action or

further audit or assessment is required or recommended with regard to the same.

24.2. Tenant shall have no right to occupy the Premises or any portion thereof after the termination of this Lease or of Tenant's right to possession pursuant hereto. In the event Tenant or any party claiming by, through or under Tenant holds over, Landlord may exercise any and all remedies available to it at law or in equity to recover possession of the Premises, and for damages. Notwithstanding anything to the contrary, in the event Tenant or any party claiming by, through or under Tenant holds over after the expiration of the Term, Landlord may elect, in lieu of any other remedy provided by law or herein, that the same shall constitute a month-to-month tenancy upon the same terms as in this Lease at a rate of rent equal to two hundred percent (200%) of the Base Monthly Rental for the month in which the Term expires.

25. **NOTICE.** With respect to any Notices required to be given under the terms of this Lease, such Notices shall be deemed given and effective:

25.1. Three (3) calendar days after the date they are deposited in the United States Mail, postage prepaid, return receipt requested, addressed to the parties at the following respective addresses; or

AS TO LANDLORD:

OCALA SE 8TH STREET, LLC
1720 SE 16th Ave, Bldg. 200
Ocala, FL 34471

AS TO TENANT:

CITY OF OCALA
1805 NE 30th Avenue, Building 400
Ocala, FL 34470

25.2. From the date of actual delivery by a recognized national overnight delivery service (such as Federal Express, UPS, Purolator, or Express Mail); or

25.3. On the date of verification of receipt by the party being notified of a facsimile copy of the Notice at the facsimile numbers noted below:

AS TO LANDLORD:

(352) 861-2248

AS TO TENANT:

(352) 351-6600

25.4. On the first business day following the date of transmission of an email to the party being notified of a scanned or electronic version of the Notice at the email addresses noted below:

AS TO LANDLORD:

tboyd@theboydgroup.com

AS TO TENANT:

dpeebles@ocalafl.gov

26. DEFAULT AND REMEDIES.

- 26.1.** If any rent or other charges payable by Tenant hereunder shall at any time be in arrears and unpaid for ten (10) days, or if Tenant shall fail to keep and perform any other covenants or agreements or conditions of this Lease on Tenants part to be performed and the breach is not cured within thirty (30) days after written notice from Landlord, or if Tenant shall abandon or vacate the Premises during the term hereof, or if Tenant shall make an assignment for the benefit of creditors, or if a receiver or liquidator or trustee or custodian shall be appointed for Tenant in any action or proceeding by or against Tenant, or if a voluntary or involuntary petition under the Federal Bankruptcy Code (or Acts amendatory thereof or supplemental thereto) shall be filed by or against Tenant, or if an order for relief shall be entered with respect to Tenant in any such bankruptcy proceeding, or if the interest of Tenant in the Premises shall be sold under execution or other legal process, then in any such case Tenant shall be in default under this Lease and Landlord shall have the right to pursue any rights or remedies provided in this Lease or by applicable law, all of which shall be cumulative.
- 26.2.** In the event of any such default by Tenant, Landlord may enter in and upon the Premises and again have and repossess and enjoy the same as if this Lease had not been made, and thereupon this Lease and everything contained hereon on the part of Landlord to be kept and performed shall cease and determine and be utterly void, without prejudice, however to the right of Landlord to recover from Tenant all rent and other charges due up to the time of such entry. In the event of any such default by Tenant, Landlord may elect to enter upon the Premises without terminating this Lease and may prepare and relet the Premises at Tenant's cost (including but not limited to broker's and attorney's fees) for the remainder of the Lease Term for the highest rent obtainable, and Landlord may recover from Tenant any deficiency between the amount so obtained and the amount of rent herein reserved, or Landlord may elect to accelerate the full rental due and owing under this Lease; unless Landlord elects otherwise, no such entry and reletting by Landlord shall constitute an acceptance of surrender of the Premises. For purposes of making available to Landlord all lawful remedies for the collection of rent, all sums payable by Tenant under this Lease shall be deemed "rent", whether or not so denominated.
- 26.3.** Landlord shall not be deemed to be in default in the observance or performance of any covenants, conditions, agreements or provisions of this Lease on its part to be observed or performed, unless Landlord shall fail to remedy such default within thirty (30) days after notice from Tenant to Landlord specifying the nature of such default, except in the case of an emergency when oral notice will suffice and Landlord shall act accordingly; or, if default cannot be reasonably cured within the said thirty (30) day period, Landlord shall not be deemed to be in default unless Landlord shall fail to initiate action to remedy such default within thirty (30) days after such notice and to prosecute the same to completion with due diligence. If Landlord shall continue in default beyond the aforementioned cure period, Tenant

shall have the right to either (a) perform the obligation(s) which Landlord has failed to perform, or (b) terminate this Lease upon notice to Landlord. If Tenant performs Landlord's obligation(s), Landlord shall promptly reimburse Tenant for expenses incurred upon Landlord's receipt of paid invoices. Nothing herein contained shall be deemed to limit any right or remedy which Tenant may have under this Lease, at law and equity.

- 26.4.** In any case where either party hereto is required to do any act, the date or the period within or by which the act is to be performed shall be postponed or enlarged by a period equal to any delay caused by or resulting from strikes, lockups, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitute therefore, governmental restrictions, governmental regulations, governmental controls, the failure or delay of any governmental agency or departure to issue necessary permits or approvals, enemy or hostile government action, civil commotion, fire or other casualty and other causes (not including financial inability to perform) beyond such party's reasonable control, whether such date or time period be designated specifically or described as or with reference to a "reasonable time period".
- 27. RIGHTS CUMULATIVE.** Unless expressly provided to the contrary in this Lease, each and every one of the rights, remedies and benefits provided by this Lease shall be cumulative and shall not be exclusive of any other rights, remedies, and benefits provided herein or allowed by law; provided, however, that this Lease shall not be cancelable except for default of Tenant except as otherwise specifically provided herein.
- 28. MITIGATION OF DAMAGES.** Notwithstanding any of the terms and provisions herein contained to the contrary, Landlord and Tenant shall each have the duty and obligation to mitigate, in every reasonable manner, any and all damages that may or shall be caused or suffered by virtue of any default under or violation of any of the terms and provisions of this Lease committed by the other.
- 29. NON-WAIVER.** No payment by Tenant or receipt by Landlord or its agents of a lesser amount than the rent and other charges stipulated in this Lease shall be deemed to be other than a payment on account thereof, nor shall any endorsement or statement on any check or any letter accompanying any check or payment be deemed an accord and satisfaction, and Landlord or its agents may accept such check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedy provided in this Lease or by applicable Law.
- 30. WAIVER.** A waiver of any breach or default by either party shall not be a waiver of any other breach or default. Landlord's consent to, or approval of, any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.
- 31. WAIVER OF SUBROGATION.** Landlord and Tenant hereby release each other from any and all liability or responsibility (to the other or any one claiming through or under

them by way of subrogation or otherwise) for any loss or damage to property caused by fire or any of the extended coverage or supplementary insurance contract casualties covered by the insurance on the Premises, even if such fire or other casualty shall have been caused by the fault or negligence of the other party or anyone for whom such party may be responsible; provided, however, that this release shall be applicable and in force and effect only with respect to loss or damage occurring during such time as the releasor's insurance policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair or prejudice the right to the releasor to recover thereunder. Landlord and Tenant each agree that their policies will include such clause or endorsement so long as the same is obtainable and if not obtainable, shall so advise the other in writing and such notice shall release both parties from the obligation to obtain such a clause or endorsement.

32. **EXCULPATION**. If Tenant obtains a money judgment against Landlord or any of its partners (if applicable) or its successors or assigns under any provisions of or with respect to this Lease, or on account of any matter or condition or circumstance arising out of the relationship of the parties under this Lease or Tenant's occupancy of the Premises or Landlord's ownership of the Premises, then Tenant shall be entitled to have execution upon such judgment only upon Landlord's fee simple or leasehold estate in the Premises (whichever is applicable) and not out of any other assets of Landlord or any of its partners (if applicable) or its successors or assigns; and Landlord shall be entitled to have any such judgment so qualified as to constitute a lien only on said estate.
33. **TRANSFER OF INTEREST**. If Landlord's interest in the Premises should be sold or otherwise voluntarily or involuntarily transferred (including without limitation any mortgage foreclosure or deed in lieu thereof), Landlord shall thereafter have no liability to Tenant under this Lease or any modifications or amendments or extensions hereof, except for such liabilities which have accrued prior to the date of such sale or transfer of Landlord's interest. Tenant shall attorn to and recognize the transferee as Tenant's landlord under this lease and shall, within fifteen (15) days after notice, execute and deliver any instrument that may be necessary to evidence such attornment.
34. **ESTOPPEL CERTIFICATE**. Within fifteen (15) days after request by Landlord from time to time, Tenant shall execute, acknowledge and deliver to Landlord an estoppel certificate, addressed to such persons or entities as Landlord shall specify in such request, stating whether or not (a) this Lease is in full force and effect, (b) this Lease has been amended in any way, (c) there are any existing defaults hereunder to the knowledge of Tenant and specifying the nature of such defaults, if any, and (d) the date to which rent, and other amounts due hereunder, if any, have been paid.
35. **SIGNS**. No signs, whether building, free-standing, pylon or other signs, shall be placed upon the Premise (excluding existing signage and replacements thereof) without prior consent of the Landlord. Tenant acknowledges that all signs on the Premises, must be in compliance with local City or County ordinances.

36. USE RESTRICTIONS.

- 36.1. Tenant shall not commit any nuisance, nor permit the admission of any objectionable noise, or odor, nor burn any trash or refuse within the Premises, nor bring on, deposit or allow to be brought on or deposited on the Premises any asbestos materials or any other Hazardous Substance or materials as the same may be defined by State, Federal or local laws, rules, statutes, or regulations; excluding only Hazardous Substances regularly used in the operation of electrical substations or switching yards and, with regard to such Hazardous Substances, only in strict accordance with all State and Federal rules and regulations pertaining to the storage, use, and disposal of the same; nor make any use of the Premises or any part thereof or equipment therein which is improper, offensive or contrary to any law.
- 36.2. Tenant shall not cause or commit any Hazardous Substance to be used, stored, generated or disposed of on or in the Premises by Tenant, Tenant's agents, employees, contractors, or invitees, without first obtaining Landlord's written consent or any other Hazardous Substance or materials as the same may be defined by State, Federal or local laws, rules, statutes, or regulations; excluding only Hazardous Substances regularly used in the operation of electrical substations or switching yards and, with regard to such Hazardous Substances, only in strict accordance with all State and Federal rules and regulations pertaining to the storage, use, and disposal of the same. If Hazardous Substances are used, stored, generated, or disposed of on or in the Premises except as permitted above, or if the Premises become contaminated in any manner for which Tenant is legally liable, Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, but without limitation, a decrease in value of the Premises, damages due to loss or restriction of rentable or usable space, or any damages due to adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees, and costs) arising during or after the Lease Term and arising as a result of such contamination by Tenant. Without limitation of the foregoing, if Tenant causes or permits the presence of any Hazardous Substance on the Premises and such results in contamination, Tenant shall promptly, at its sole expense, take any and all actions necessary to return the Premises to the condition existing prior to the presence of any such Hazardous Substance on the Premises. Tenant shall first obtain Landlord's approval for any such remedial action. Landlord shall be responsible for any Hazardous Substance not brought upon the Premises by Tenant, Tenant's agents, employees, contractors or invitees.
- 36.3. As used herein "***Hazardous Substance***" means any substance which is toxic, ignitable, reactive, or corrosive and which is regulated by any local government, the State of Florida, or the United States Government. Hazardous Substance includes any and all material or substances which are defined as Hazardous Substance pursuant to State, Federal, or local government law. Hazardous

Substance includes, but is not restricted to, asbestos, polychlorobiphenyls (“*PCB’s*”) and petroleum.

37. **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 public health unit.
38. **MECHANIC’S LIENS.** This Lease strictly forbids the filing of any liens whatsoever by any professional, contractor, subcontractor, materialmen, laborer or other person for any work performed by or at the request of Tenant in or about the Premises. Tenant shall include this lease provision in any contract entered into with any professional, contractor, subcontractor, materialmen, laborer or other person performing work on the Premises. Notice of such prohibition may be given to such persons in a memorandum of lease recorded in the public records of the county in which the Real Property is located. The purpose of this Section is to expressly exculpate and insulate Landlord from any liability whatsoever for the cost of any such work performed by or at the request of Tenant. The interest of Landlord in the Premises and the Real Property shall not be subject to foreclosure with respect to any such liens. In addition, Tenant shall cause any lien filed against the Premises or the Real Property in violation of this Section 38 to be released and discharged within thirty (30) days after Landlord's written demand therefor and Tenant shall indemnify and hold Landlord harmless from and against any such lien and any cost, damages, charges and expenses incurred in connection with any such lien, including, without limitation, attorneys fees.

Nothing contained in this Section 38, or the Lease, shall authorize Tenant to do any act which may create or be the foundation for any lien, mortgage or other encumbrance upon the reservation or other estate of Landlord, or of any interest of Landlord in the Premises or on the Real Property or Improvements thereof; it being agreed that should Tenant cause any alterations, changes, additions, improvements or repairs to be made in the Premises, or cause materials to be furnished or labor to be performed therein, neither Landlord nor the Premises shall, under any circumstances, be liable for the payment of any expenses incurred or for the value of any work done or material furnished to the Premises or any part thereof. Tenant shall, upon request of Landlord, deliver such documents as may be required by Landlord in order to effectuate the lien protection required by this Section, all such alterations, changes, additions, improvements and repairs and materials and labor shall be at Tenant's expense, and Tenant shall be solely and wholly responsible to contractors, laborers and materialmen furnishing labor and materials to the Premises, or any part thereof. Tenant shall have the obligation to record in the public records of the county where the premises are located a memorandum of lease to inform every service or material provider of the foregoing provisions prior to contracting with any of them for goods or services.

39. **BINDING UPON SUCCESSORS.** The covenants, conditions and agreements made and entered into by the parties hereto shall be binding upon and inure to the benefit of their respective heirs, representatives, successors and assigns.
40. **SEVERABILITY.** If any term, covenant, or condition of this Lease or application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease or the application of such term, covenant or condition to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby and each remaining term, covenant and condition of this Lease shall be valid and enforceable to the fullest extent permitted by law.
41. **ACCORD AND SATISFACTION.** No payment by Tenant or receipt by Landlord of a lesser amount than the payments herein stipulated shall be deemed to be other than on account of the earliest such stipulated payments, nor shall any endorsement or statement on any check or any letter accompanying the check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's rights to recover the balance of such payments then due or pursue any other remedy provided in this Lease.
42. **MISCELLANEOUS.** The laws of the State of Florida in which the Premises are located shall govern the interpretation, validity, and enforcement of this Lease. The singular whenever used herein shall be construed to mean the plural when applicable, and pronouns of any gender shall include the other genders. The headings of each Section hereof are added as a matter of convenience only and shall not limit, alter or otherwise affect the validity or construction of any provision of this Lease. All references in this lease to Sections, subsections, paragraphs, subparagraphs and Exhibits refer to the respective subdivisions of this Lease, unless such reference expressly identifies another instrument.
43. **ATTORNEYS' FEE AND COSTS; WAIVER OF JURY TRIAL.**
- 43.1. In the event either party shall file any proceeding, whether at law or in equity, the party prevailing shall be entitled to receive reimbursement of reasonable legal fees and costs from the other party, including such costs arising out of any appellate, bankruptcy or post-judgment proceeding related thereto.
- 43.2. In any act or proceeding brought in connection with this Lease: (a) Tenant waives trial by jury; (b) Landlord shall be entitled to recover Landlord's costs and expenses, including reasonable attorneys' fees; (c) Tenant submits to the jurisdiction of the state and federal courts in the State of Florida where the Premises are located; (d) venue of any such action or proceeding may at Landlord's option be in the county in which the Premises are located, and Tenant waives any claim that the same is an inconvenient forum; (e) Tenant agrees that service of process may be made by delivery of the same to Fred C. Armstrong, or such other agent as Tenant may designate from time to time by written notice to Landlord; and the foregoing shall not be deemed to limit Landlord's right to effect service of process in any other lawful manner or to bring any such action or proceeding in any other

forum permitted by law. This instrument shall be governed by and construed and enforced in accordance with the laws of the State of Florida.

44. **RECORDING.** Neither party shall record this Lease in its entirety, but upon the request of Landlord, Tenant shall join in the execution of a Memorandum of Lease in form approved by Landlord. This Lease shall be considered terminated upon the expiration of its Lease Term unless Landlord and Tenant execute an Addendum exercising a renewal period option. Upon termination of this Lease, whether by expiration, default or breach by Tenant, or otherwise, Tenant shall execute a Termination of Memorandum of Lease in recordable form as a condition precedent to the termination of Tenant's obligations under this Lease and return of Tenant's Security Deposit, if applicable.
45. **ENTIRE AGREEMENT.** This Lease constitutes the entire agreement of the parties hereto; all prior agreements between the parties, whether written or oral, are merged herein and shall be of no force and effect. This Lease cannot be changed, modified, or discharged orally but only by an agreement in writing signed by the party against who enforcement of the change, modification or discharge is sought.
46. **ACKNOWLEDGMENT.** This Lease has been negotiated by Landlord and Tenant and this Lease, together with all of the terms and provisions hereof, shall not be deemed to have been prepared by either Landlord or Tenant, but by both equally. Wherever in this Lease any printed portion or part thereof, has been stricken, whether or not any relative provisions have been added, this Lease shall be read and construed as if the material stricken was never included herein, and no implication shall be drawn from the text or material so stricken, which would be inconsistent with any way with the construction or interpretation which would be appropriate if such material were never contained herein. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating a relationship between the parties hereto other than the relationship of Landlord and Tenant.

WITNESS the due execution hereof as of the day and year first written above.

Signed and sealed in our presence as witnesses:

AS TO LANDLORD:

Witness #1:

**OCALA SE 8TH STREET, LLC, A
FLORIDA LIMITED LIABILITY
COMPANY**

Signature

By: _____

ROY T. BOYD, III

Print Witness #1 Name

Its: MANAGER

Witness #2:

Signature

Print Witness #2 Name

Signed and sealed in our presence as witnesses:

AS TO TENANT:

Witness #1:

**CITY OF OCALA, A FLORIDA
MUNICIPAL CORPORATION**

Signature

By: _____

Print Name:

Print Witness #1 Name

Its: _____

Witness #2:

Signature

Print Witness #2 Name