

**GROUND LEASE FOR
TRANSITIONS LIFE CENTER & COMMUNITY, INC.**

THIS GROUND LEASE is entered into effective November 3, 2015 (the "Effective Date," though it may be executed on a subsequent date), between City of Ocala, a Florida municipal corporation ("City"), and Transitions Life Center & Community, Inc., a Florida not-for-profit corporation ("Tenant"). In consideration of the exchange of the mutual promises set forth herein, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree as follows:

1. Definitions.

1.1. As used herein, the following terms have the following meanings:

- 1.1.1. *City Code* – The Code of Ordinances of the City of Ocala, Florida.
- 1.1.2. *Client Services* – The Developmental Disability Services to be provided by Tenant to its Clients as further set forth in paragraphs 8.1 and 8.2.
- 1.1.3. *Clients* – Persons with a developmental disability (as such term is defined in Section 393.063, Florida Statutes), and who are eligible under Chapter 393, Florida Statutes to receive Developmental Disability Services.
- 1.1.4. *Commence Construction* – To commence construction of Required Tenant Improvements, as determined by City in its reasonable discretion, and may include site work that is needed to construct the Required Tenant Improvements.
- 1.1.5. *Commencement Date* – The date that Tenant's leasehold interest in the Premises commences as set forth in paragraph 4.1. The Commencement Date shall be the first day following the expiration of the Inspection Period.
- 1.1.6. *Development Costs* – The costs of design, permitting and constructing Tenant Required Improvements calculated as follows:
 - a. Where Tenant has paid for the Required Tenant Improvements, the Development Costs shall be established pursuant to contracts, invoices, statements, and proof of payment by Tenant, or similar documents, acceptable to City in the exercise of its reasonable discretion.
 - b. Where services or materials incorporated in the Required Tenant Improvements were donated, the Development Costs shall be established pursuant to a reasonable estimate of such services provided by a professional licensed in the same field as the person providing the services; for example, if architectural services are donated, the reasonable value of the donated architectural services shall be established an estimated by an architect licensed to do business in the state of Florida.

- 1.1.7. *Developmental Disability Services* – The services that may be provided to Clients pursuant to Chapter 393, Florida Statutes, if Tenant was an agency of the State of Florida. As Tenant is not an agency of the State of Florida, the provisions of Chapter 393, Florida Statutes, concerning the methods or procedure for providing such services do not apply; rather, the focus of this definition is on the type of services provided. The Developmental Disability Services that may be provided by Tenant hereunder are further subject to the provisions of paragraph 8.
- 1.1.8. *Force Majeure* – As set forth in paragraph 22.1.
- 1.1.9. *Improvements* – All structures, buildings and other improvements, including the Required Tenant Improvements, now existing or hereafter constructed on the Premises.
- 1.1.10. *Inspection Period* – The time period commencing with the Effective Date and continuing for a period of ninety (90) days thereafter.
- 1.1.11. *Lease* – This Lease, as it may, from time to time be amended or modified pursuant to its terms and provisions.
- 1.1.12. *Phase 1 Improvements* – The Required Tenant Improvements to be constructed by Tenant pursuant to paragraph 9.2, as further defined in paragraph 9.2.2.a.
- 1.1.13. *Phase 2 Improvements* – The Required Tenant Improvements to be constructed by Tenant pursuant to paragraph 9.2, as further defined in paragraph 9.2.2.b.
- 1.1.14. *Phase 3 Improvements* – The Required Tenant Improvements to be constructed by Tenant pursuant to paragraph 9.2, as further defined in paragraph 9.2.2.c.
- 1.1.15. *Phase 4 Improvements* – The Required Tenant Improvements to be constructed by Tenant pursuant to paragraph 9.2, as further defined in paragraph 9.2.2.d.
- 1.1.16. *Premises* – The real property located in Marion County, Florida, and all Improvements now or hereafter located thereon as described in the attached **Exhibit A**.
- 1.1.17. *Purchase Option* – Tenant's option to purchase the Premises as set forth in paragraph 19.
- 1.1.18. *Option Closing* – The closing of Tenant's purchase of the Premises pursuant to the Purchase Option as set forth in paragraph 19.8.
- 1.1.19. *Option Period* – As defined in paragraph 19.2.

1.1.20. *Required Tenant Improvements* – The Improvements on the Premises to be constructed by Tenant pursuant to paragraph 9.2. The Required Tenant Improvements consist of three Phases as set forth in this Lease.

1.1.21. *Substantially Complete* – To complete construction of Required Tenant Improvements as evidenced by City’s issuance of a final certificate of occupancy for the Required Tenant Improvements or, if any Required Tenant Improvements are not subject to the certificate of occupancy provisions of the City Code, as evidenced by City’s approval of the completion thereof.

1.2. The definitions in this Lease shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine and neuter forms. The term “person” includes individuals, partnerships, corporations, limited liability companies, trusts, and other entities and associations. The words “include,” “includes,” and “including” shall be deemed to be followed by the phrase “without limitation.” The words “herein,” “hereof,” “hereunder,” and similar terms shall refer to this Lease, unless the context otherwise requires.

2. Lease of Premises.

2.1. Commencing on the Commencement Date, City shall lease to Tenant, and Tenant shall lease from City, real property located in Marion County, Florida, and all Improvements now or hereafter located thereon (collectively the “Premises”) described in the attached **Exhibit A**.

2.2. This Lease is specifically contingent upon the Premises being rezoned pursuant to paragraph 3.8 so that the Developmental Disability Services to be provided on the Premises by Tenant are allowable under the City Code. If this contingency does not occur prior to the expiration of the Inspection Period, either party may terminate this Lease by providing written notice of such termination prior to the occurrence of the contingency.

3. Inspection Period; Survey; Title Insurance.

3.1. Existing Documentation. Tenant acknowledges that City has, prior to the Effective Date, provided to Tenant all documentation requested by Tenant that Tenant believes is necessary for Tenant to evaluate its lease of the Premises.

3.2. Tenant’s Inspection of the Premises.

3.2.1. During the Inspection Period, Tenant shall have the right and responsibility to enter upon the Premises to make all inspections of the condition of the Premises which it may deem necessary, including, but not limited to, soil borings, asbestos tests, percolation tests, engineering, environmental and topographical studies, inspections of zoning and the availability of utilities, all of which inspections shall be undertaken at Tenant’s sole cost and expense.

- 3.2.2. Before entering the Premises, Tenant or any of Tenant's agents so entering shall provide City with proof of appropriate liability insurance covering any and all losses, costs, claims, damages, liabilities, and expenses which might arise from the exercise by Tenant, or any of its agents, of the right of entry.
- 3.2.3. Neither Tenant nor Tenant's agents shall conduct any inspection so as to damage the Premises. If any such damage nonetheless occurs, Tenant shall restore the Premises to its pre-inspection condition no later than fifteen (15) days after the damage occurs.
- 3.2.4. Tenant shall, in a timely manner, pay in full the cost of all inspections, investigations, and inquiries of any kind, so that no Person or entity shall have the right to file any lien against the Premises.
- 3.3. Indemnification. Tenant hereby agrees to indemnify City and hold City harmless against all claims, demands and liability, including, but not limited to, attorneys' fees, for nonpayment for services rendered to Tenant, for construction liens, or for damage to Persons or Premises arising out of the presence of Tenant's agents, employees, surveyors, engineers, contractors, or other third parties under the control of Tenant, on the Premises during the Inspection Period. Notwithstanding anything to the contrary set forth in this Lease, the indemnification and agreement to hold harmless set forth in this paragraph shall survive the Closing or the earlier termination of this Lease (for whatever reason).
- 3.4. Copies of Documents to City. Upon written request of City, Tenant shall provide to City copies of all documents generated by Tenant in connection with its inspection of the Premises during the Inspection Period.
- 3.5. Tenant's Right to Terminate During the Inspection Period.
- 3.5.1. In the event that Tenant's inspection of the Premises is unsatisfactory to Tenant for any reason whatsoever, Tenant may deliver to City, prior to 5:00 p.m. Eastern Time in effect on the final business day of the Inspection Period, written notice of its election to terminate this Lease (the "*Termination Notice*"). Upon City's timely receipt of the Termination Notice this Lease shall be deemed terminated and neither Tenant nor City shall have any further rights or obligations hereunder except as otherwise expressly provided herein as surviving termination.
- 3.5.2. If City does not receive notice of termination from Tenant by the end of the Inspection Period, Tenant's right to terminate as aforesaid shall be deemed waived.
- 3.6. Title Insurance.
- 3.6.1. Tenant shall obtain, at Tenant's expense, within fifteen (15) days of the Effective Date, a commitment (the "First Commitment") for a leasehold (or owner's, if a leasehold policy is not available) title insurance policy from a title insurance company acceptable to City and Tenant in their reasonable discretion ("Title Company"), agreeing to insure title to the

Premises in an amount that Tenant estimates is equal to the value of the Premises, and subject to: no exceptions other than those matters herein permitted; and the standard printed exceptions and exclusions from coverage customarily contained in an Owner's Policy from the Title Company.

- a. Tenant shall provide City a copy of the First Commitment upon receipt of same.
 - b. Within twenty (20) days of its receipt of the First Commitment, Tenant shall notify City of any objections thereto. If Tenant fails to do so, it shall be deemed to have accepted the First Commitment and title to the Premises as evidenced thereby.
 - c. Tenant shall take title subject to: the Permitted Exceptions as set forth on the attached Exhibit C, zoning, restrictions and prohibitions imposed by governmental authority which would not inhibit, restrict or prohibit development of the Premises consistent with this Lease.
 - d. If the First Commitment discloses exceptions or matters that render the title non-marketable, other than the Permitted Exceptions, City shall have forty-five (45) days from the date of receiving written notice of defects from Tenant within which it may, but shall not be obligated, to have the exceptions removed from the First Commitment or the defects cured to the reasonable satisfaction of Tenant. If City fails to have the First Commitment exceptions removed or the defects cured within the specified time, Tenant may terminate this Lease as its sole remedy, or Tenant may elect, upon notice to City within ten (10) days after the expiration of the curative period, to accept title as it then is notwithstanding such exceptions or title defects (the "Permitted Exceptions").
- 3.6.2. If Tenant does not terminate this Lease, Tenant may obtain, at Tenant's expense, an owners or leasehold title insurance policy from Title Company insuring its leasehold interest in the Premises.
- 3.6.3. If Tenant exercises the Purchase Option, the provisions of paragraph 19.7 shall apply.
- 3.7. Survey.
- 3.7.1. City has provided to Tenant, prior to the Effective Date, an existing survey of the Premises.
 - 3.7.2. Tenant may, within thirty (30) days of the Effective Date, obtain, at Tenant's expense, another survey (the "Survey") of the Premises. The Survey shall comply with the specifications and requirements of the American Land Title Association and, without limiting the foregoing, shall depict the location of any visible utilities or evidence of utilities.

Tenant shall be responsible for the expense of the Survey. If the Survey reveals any encroachments or defects in title, City shall have an opportunity to cure as provided in paragraph 3.6.1.d. The Survey shall be certified to Tenant, City, and the Title Insurance Company and three (3) sealed and certified copies shall be delivered to City by Tenant immediately upon receipt.

- 3.7.3. If the Survey reveals any of the following matters, they shall be treated as title defects (under paragraph 3.6):
- a. Easements on the Premises, including any evidence of unrecorded easements;
 - b. Rights-of-way on the Premises;
 - c. Violations of any restrictive covenants, or of any building, zoning, land use, or other laws, ordinances, rules, or regulations imposed by governmental authority;
 - d. Encroachments of improvements located on the Premises onto setback lines, easements, rights-of-way, or the lands of others or encroachments of improvements of others (i.e., adjoining landowners) onto the Premises; or
 - e. Overlaps, gaps, gores, and hiatuses.
- 3.7.4. Notwithstanding the foregoing subparagraph, none of the above matters shall be treated as title defects if the Title Insurance Company agrees, in the Commitment or any endorsement thereto, to remove from the Policy the standard exception for matters of survey and does not insert in its place a specific exception relating to the particular title defects or to matters appearing on the Survey in general.
- 3.7.5. Tenant shall notify City of any title defects revealed by the Survey within ten (10) days after Tenant the earlier of: (a) the date that Tenant receives the Survey; or (b) the deadline for Tenant to obtain the Survey. If Tenant fails to timely notify City of any Title Defects revealed by the Survey, Tenant shall be deemed to have waived all objections to such Title Defects.
- 3.8. Rezoning. Promptly after the Effective Date, City will commence the necessary procedures to rezone the Premises to a rezoning classification that will allow the provision of the Developmental Disability Services. City's sole obligations under this paragraph are to apply for the rezoning, manage all inquiries, and schedule all hearings, needed to fulfill the rezoning process. The rezoning may only be accomplished pursuant to procedures set forth in Florida Statutes and the City Code, and City may not agree to the rezoning in advance.

4. **Term.** The term ("Term") of this Lease is as follows:
- 4.1. The initial term ("Initial Term") of this Lease is five (5) years, beginning on the Commencement Date and ending five (5) years thereafter. Upon request of either party, City and Tenant shall execute and deliver to each other a subsequent instrument acknowledging the Commencement Date.
- 4.2. Tenant has the right to renew the Term of this Lease for up to three (3) additional Terms of five (5) years each (each a "Renewal Term") as follows.
- 4.2.1. Tenant shall be entitled to renew the Lease for the first Renewal Term upon the occurrence of the following:
- a. Tenant has completed all of the Phase 1 Improvements as and when required by paragraph 9.2.5.a.
 - b. Tenant has received pledges of at least \$50,000, of which at least \$25,000 must have already been received by Tenant in immediately available funds, to construct the Phase 2 Improvements pursuant to paragraph 9.2.5.b of this Lease.
 - c. Tenant is not otherwise in default under this Lease.
- 4.2.2. Tenant shall be entitled to renew the Lease for the second Renewal Term upon the occurrence of the following:
- a. Tenant has completed all of the Phase 2 Improvements as and when required by paragraph 9.2.5.b.
 - b. Tenant has received pledges of at least \$50,000, of which at least \$25,000 must have already been received by Tenant in immediately available funds, to construct the Phase 3 Improvements pursuant to paragraph 9.2.5.c of this Lease.
- 4.2.3. Tenant shall be entitled to renew the Lease for the third Renewal Term upon the occurrence of the following:
- a. Tenant has completed all of the Phase 3 Improvements as and when required by paragraph 9.2.5.c.
 - b. Tenant has received pledges of at least \$50,000, of which at least \$25,000 must have already been received by Tenant in immediately available funds, to construct the Phase 4 Improvements pursuant to paragraph 9.2.5.c of this Lease.
 - c. Tenant is not otherwise in default under this Lease.
- 4.3. All references herein to the Term of this Lease shall be deemed to refer to the Initial Term or Renewal Term, respectively.

5. **Rent.**

5.1. During the Term of this Lease, Tenant shall pay base rent of One Dollar (\$1.00) per year commencing on the Commencement Date and on each anniversary thereafter.

5.2. All base rent payable under this Lease shall be paid to City without City's demand, or set-off or withholding for any reason, and shall be mailed or delivered to City at City's address as set forth elsewhere in this Lease, or such other address of which City shall notify Tenant, so that it is received prior to the date it is due.

6. **Additional Payments and Tenant Obligations.**

6.1. Additional Rent Payments. In addition to the base rent under paragraph 5, all other payments that Tenant is obligated to make under this Lease are considered additional rent, regardless of whether the payments are so designated. All additional payments are due and payable at the time City demands payment or at the time the next succeeding base rent installment is due, whichever occurs first. City shall have the same remedies for Tenant's failure to pay additional rent as it does for Tenant's failure to pay base rent. All further references to "rent" shall include both base rent and additional rent. The provisions of this paragraph 6 shall apply only concerning remedies, and not concerning rent upon which sales and use taxes are to be calculated or paid.

6.2. Utility or Service Charges.

6.2.1. Tenant agrees to pay all charges for gas, electricity or other illumination, heating, air conditioning, water, sewer, telephone service and other utilities attributed to the Premises.

6.2.2. Further, Tenant agrees to pay, except as set forth in paragraph 9.1.2 without protest or legal challenge, all impact fees, user fees, assessments or similar charges attributed to or assessed against the Premises, or the construction of improvements thereon, by City or any other governmental entity such as Marion County.

6.3. Ad Valorem Taxes and Assessments.

6.3.1. City states that City is a municipality exempt from ad valorem taxes on property with a public use, and Tenant represents that it is a Florida not for profit corporation exempt from property taxes if the property is used for public and charitable purposes. However, Tenant agrees to pay as additional rent during the term of this Lease all ad valorem taxes levied or assessed by any lawful authority against the Premises, if any. In the event the taxes are assessed for less than a full year (e.g., if the term of this Lease commences or ends on days other than January 1), the taxes shall be prorated such that Tenant shall be obligated to pay all taxes during the portion of the year in which they are assessed. If, as a result of the expiration or termination of this Lease the taxes are assessed during

the entire final year, Tenant shall be obligated to pay all of such taxes notwithstanding the prior provisions concerning proration.

6.3.2. In the event any governmental authority having jurisdiction shall levy any general or special assessment against the Premises, Tenant shall also pay to City as additional rent such assessment. City shall have the option to take the benefit of any statute or ordinance permitting any such assessment for public betterments or improvements to be paid over a period of time in which case Tenant shall be obligated to pay only the said fraction of the installments of any such assessments which shall become due and payable during the term of this Lease.

6.4. Sales and Use Taxes. At the time rent payments are made, Tenant agrees to pay to City any sales and use taxes that arise because of payment of rent to City, if any.

6.5. Past Due Rent. If Tenant shall fail to pay any rent when due, Tenant shall also pay to City interest of six percent (6%) per annum of the amount of the late payment (prorated daily), plus a late payment service charge covering administrative and overhead expenses of \$250.00. A payment is considered late if received ten (10) business days or more after such payment is due. (This is not a grace period; any payment not received when due is a default.) 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.

6.6. Amounts Advanced by City. After providing required written notice to Tenant allowing Tenant the opportunity to pay or protest the applicability of any such expense, any amount advanced by City pursuant to the terms and provisions of this Lease shall be repaid to City by Tenant by the first of the calendar month following the date of such advance unless otherwise specifically provided in this Lease.

6.7. 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.

7. **Utilities.**

7.1. As set forth in paragraph 9.1.1, City shall construct certain utility improvements to the boundary of the Premises. Tenant shall be responsible for constructing any other utility improvements to connect such utilities to any Improvements located on the Premises.

7.2. Tenant shall obtain, at its sole cost and expense, all other utilities (e.g., without limitation, telephone and trash collection services) service for the Premises.

7.3. Tenant acknowledges that City may have above-ground or below-ground utility lines currently located on the Premises. Prior to moving such utility lines, Tenant shall obtain City's written approval, which approval shall not be unreasonably withheld.

- 7.4. City shall not be liable for full or partial stoppage or interruption of the above services or utilities unless negligence on the part of City shall be shown, and City shall not be liable for consequential damages in any event.
8. **Use of Premises.** The Tenant will construct a campus to provide educational, developmental and social services for adults with intellectual and developmental disabilities. Such disabilities include, without limitation: Autism, Cerebral Palsy, Down Syndrome, Intellectual Disability, Prader Willi and Spina Bifida.
- 8.1. Required Uses. Subject to paragraph 8.3, Tenant shall use the Premises for the provision of the Client Services consistent with fulfilling its mission to provide a safe, caring and enriching community for physically and intellectually impaired adults. The project will be constructed in four (4) phases. These services will be offered through a campus that includes:
- 8.1.1. A multi-purpose community center, of at least 7,500 square feet with driveway and ample parking, which will house the administrative offices, kitchen, accessible restrooms, classrooms and a common area to conduct on-going educational, daily living skills, developmental and social activities for adults with special needs. Attached hereto as **Exhibit C** is a preliminary sketch of the community center. The community center will be open and providing client services at least six hours per day on five days during each week.
- 8.1.2. Property amenities for physical enrichment activities will include an adaptive playground with accessible equipment, accessible swimming pool, landscaped walking trail, a garden, basketball court, soccer field, gymnasium and a horse paddock.
- 8.1.3. A residential component will include at least one (1) respite house and six (6) additional homes to house at least six (6) individuals in each home.
- 8.2. Permitted Uses and Descriptions of Required Tenant Improvements. Tenant shall have the right to use the Premises for the following activities on the following Required Tenant Improvements:
- 8.2.1. The Phase 1 Improvements will include the community center, playground, swimming pool, walking trail, soccer field and basketball court. These facilities will be used to host the THRIVE (Teamwork-Honor-Respect-Independence-Values-Education) program. These six-hour day sessions, conducted at least five days per week, will provide the continuity of learning and development that was afforded to these clients prior to aging out of the special needs programming through the public schools. Water therapy and exercise are valuable components to maintain development and keep clients engaged and practicing healthy lifestyles. This Phase will be constructed on the portion of the Premises referred to

as "Phase 1" on the preliminary sketch ("Sketch") attached hereto as **Exhibit B**, and described as "Phase 1" on the attached **Exhibit D**.¹

- 8.2.2. The Phase 2 Improvements will be used to further develop campus amenities for healthy, active lifestyles. Amenities for physical enrichment activities will include a garden, basketball court, softball field and a gymnasium. This Phase will be constructed on the portion of the Premises referred to as "Phase 2" on the Sketch attached hereto as **Exhibit B**, and described as "Phase 2" on the attached **Exhibit D**.
- 8.2.3. The Phase 3 Improvements will introduce the first respite house and two (2) residential homes. This respite house will provide supervised and assistive living environments for adults with special needs. The availability of a respite house allows (a) caregiving families the opportunity to recharge to prevent burn-out and maintain an optimal living environment at home; and (b) individuals to experience a more independent living arrangement while still having access to monitored care and supervision. The homes will also provide care for individuals whose caregivers can no longer provide the physical care needed and will also include the construction of a horse paddock, barn and equine trails. These residential homes will be constructed on the portion of the Premises referred to as "Phase 3" on the Sketch attached hereto as **Exhibit B**, and described as "Phase 3" on the attached **Exhibit D**.
- 8.2.4. The Phase 4 Improvements will consist of the remaining portion of residential component with at least five (5) additional residential homes, including an additional playground, picnic area and basketball court. This Phase will be constructed on the portion of the Premises referred to as "Phase 4" on the Sketch attached hereto as **Exhibit B**, and described as "Phase 4" on the attached **Exhibit D**.
- 8.2.5. In addition, the Premises may be used for other services to enhance the lives of adults with intellectual and developmental disabilities such as job training and social enterprise opportunities to support the Tenant's operations, as approved by City in its sole discretion, that will contribute to the growth and quality of life of the Clients provided that they otherwise comply with the provisions of this paragraph 8.
- 8.3. Without limiting paragraph 8.1, the Premises may not be used for the following purposes:
- 8.3.1. Any use not set forth in paragraph 8.2.

¹ City has not reviewed the legal descriptions for the Phases set forth on the attached **Exhibit D**. Nothing set forth in **Exhibit D** shall affect the legal description of the Premises as a whole as set forth in the attached **Exhibit A**.

- 8.3.2. Housing for, or the provision of services to, homeless persons. This shall not preclude Tenant from providing Client Services, consistent with paragraph 8.2, to Clients who could be homeless if not for the provision of Client Services by Tenant.
- 8.4. Tenant agrees that no business shall be carried on, nor any act or acts done or permitted to be done on the Premises that in any manner conflicts with any applicable valid law or regulation of the City of Ocala, Marion County, State of Florida, and the United States of America or any department, bureau or agency thereof.
- 8.5. Nuisance/Hazardous Substances.
- 8.5.1. 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; nor make any use of the Premises or any part thereof or equipment therein which is improper, offensive or contrary to any law.
- 8.5.2. 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 City's written consent. 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 City 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 City's approval for any such remedial action.
- 8.5.3. 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, polychlorobipenyls ("PCB's") and petroleum.

- 8.5.4. Tenant shall have no obligation to remediate Hazardous Substance in existence on the Premises on the Effective Date of this Lease but, if Tenant is ordered to do so by a governmental entity with jurisdiction over such matters, Tenant shall either remediate the Hazardous Substance or terminate this Lease. City shall have no obligation to remediate any Hazardous Substances under any circumstances.
- 8.5.5. In the event Tenant discovers any environmental issues and chooses to pursue remediation grants, City will assist with the application process to secure such funding.

9. **Improvements.**

9.1. Utility Extension; Charges or Fees for Plan Review and Permits.

- 9.1.1. City shall, at its sole cost and expense, cause water, sewer and electric utility lines to be extended to the boundary of the Premises. City shall start such construction no later than one month after Tenant commences construction of the Phase 1 Improvements, and shall complete such construction no later than the date Tenant Substantially Completes the Phase 1 Improvements.
- 9.1.2. City shall pay on behalf of Tenant (or waive, to the extent permitted by applicable law) the following charges or fees for plan review, permits and inspections for each Phase of the Required Tenant Improvements: site plan review fees; building permits; plumbing, electrical, mechanical and site inspection fees; water, sewer and fire impact fees; stormwater capacity fees; solid waste fees; and similar charges or fees established by City following the Effective Date of this Lease and through the completion of the Required Tenant Improvements. The foregoing represents one time payments for the foregoing services; nothing set forth in this Lease shall relieve Tenant from its obligation to pay periodic (including monthly) fees or charges for utilities and other services provided by City.
 - a. Tenant shall pay all of the foregoing charges or fees required for construction of any Improvements other than the Required Tenant Improvements.
 - b. Tenant shall pay all other charges or fees required for construction of the Required Tenant Improvements including, without limitation, school impact fees (if any) and transportation impact fees.
 - c. Tenant shall pay any state or federal application or permit fees, and all periodic fees or charges for electricity, water, sewer, stormwater or other services provided by City following issuance of a building permit for any Improvements.

9.2. Tenant's Obligation to Construct the Required Tenant Improvements.

- 9.2.1. Tenant shall have the obligation and right to construct the Required Tenant Improvements on the Premises, at Tenant's sole cost and expense, to provide for the permitted uses set forth in paragraph 8.2.
- a. In connection with any construction, Tenant shall be permitted to grade, level, and fill the land, remove trees and shrubs, install roadways and walkways, and install utilities, provided all of the foregoing serve the Required Tenant Improvements constructed on the Premises.
 - b. City shall have no liability for any costs or expenses in connection with the construction of Required Tenant Improvements on the Premises, except as expressly set forth in paragraph 9.1.
 - c. All Required Tenant Improvements shall be in accordance with the applicable building codes and other laws and ordinances.
- 9.2.2. The Required Tenant Improvements shall meet the following minimum requirements:
- a. The Phase 1 Improvements shall be consistent with the description thereof in paragraph 8.2.1. The Development Costs for the Phase 1 Improvements shall be no less than \$1,000,000.
 - b. The Phase 2 Improvements shall be consistent with the description thereof in paragraph 8.2.2. The Development Costs for the Phase 2 Improvements shall be no less than \$500,000.
 - c. The Phase 3 Improvements shall be consistent with the description thereof in paragraph 8.2.3. The Development Costs for the Phase 3 Improvements shall be no less than \$1,500,000.
 - d. The Phase 4 Improvements shall be consistent with the description thereof in paragraph 8.2.4. The Development Costs for the Phase 4 Improvements shall be no less than \$1,500,000.
 - e. The size of the Required Tenant Improvements set forth in paragraphs 8.1.1 and 8.2, and the Development Costs therefor set forth in the preceding paragraphs of this paragraph 9.2.2, are based upon Tenant's current plans, estimates and anticipated capabilities.
 - 1). In the event that changes in such plans, estimates or anticipated capabilities cause the foregoing matters to be inaccurate, Tenant may request City to amend this Lease such that the Required Tenant Improvements are consistent with Tenant's then plans, estimates and capabilities.

- 2). Tenant shall include, in any request for such an amendment, information reasonably sufficient to determine that, notwithstanding the amendment, Tenant will be able to utilize the Required Tenant Improvements for the purposes set forth in paragraph 8.1, and that the revised size and Development Costs are generally consistent with the descriptions of the Required Tenant Improvements set forth in paragraph 8.2.
- 3). City may grant, deny or condition its approval of any requested amendment in its sole discretion.

f. For purposes of this paragraph 9.2.2:

- 1). Following completion of each Phase of the Required Tenant Improvements, Tenant shall provide City with sufficient information for City to confirm the Development Costs therefor including, without limitation, construction contracts, statements, invoices and cancelled checks or other proof of payment.
- 2). If any donations are in a form other than cash (e.g., labor, services or materials), they shall be valued, for purposes of Development Costs, at fair market value. Upon request of City, Tenant shall provide City with the proposed values together with information that Tenant believes supports the proposed values.

9.2.3. City shall cooperate with Tenant to facilitate timely execution of required documents, permits, legal descriptions, permit approvals or other matters requiring City's consent.

9.2.4. The design of all Required Tenant Improvements shall be subject to prior approval of City, which shall not be unreasonably withheld.

9.2.5. In constructing the Required Tenant Improvements, Tenant shall comply with the following schedule and requirements:

a. Concerning the Phase 1 Improvements:

- 1). Tenant shall Commence Construction of the Phase 1 Improvements within three (3) years of the Effective Date, and shall thereafter diligently prosecute construction. For purposes of this paragraph 9.2.5, Tenant shall be deemed to have failed to diligently prosecute construction if less than eight (8) hours of bona fide construction activity occurs for a period of fourteen (14) consecutive business days, or for more than thirty (30) business days during a time period of sixty (60) business days.

2). Tenant shall Substantially Complete construction of the Phase 1 Improvements within five (5) years of the Effective Date.

b. Concerning the Phase 2 Improvements:

1). Tenant shall Commence Construction of the Phase 2 Improvements within seven (7) years after the Effective Date, and shall thereafter diligently prosecute construction.

2). Tenant shall Substantially Complete construction of the Phase 2 Improvements within ten (10) years after the Effective Date.

c. Concerning the Phase 3 Improvements:

1). Tenant shall Commence Construction of the Phase 3 Improvements within twelve (12) years after the Effective Date, and shall thereafter diligently prosecute construction.

2). Tenant shall Substantially Complete construction of the Phase 3 Improvements within fifteen (15) years after the Effective Date.

d. Concerning the Phase 4 Improvements:

1). Tenant shall Commence Construction of the Phase 4 Improvements within seventeen (17) years after the Effective Date, and shall thereafter diligently prosecute construction.

2). Tenant shall Substantially Complete construction of the Phase 4 Improvements within twenty (20) years after the Effective Date.

e. The schedules for constructing the Required Tenant Improvements are subject to Force Majeure.

9.2.6. If Tenant fails to meet the requirements or schedule for any Required Tenant Improvements set forth in this paragraph 9.2 or elsewhere in this Lease, and such default continues for six (6) months after City provides Tenant written notice of such default:

a. Tenant's right to renew the Term of this Lease pursuant to paragraph 4.2 shall terminate as to any remaining Renewal Terms.

b. City may exercise all remedies set forth in this Lease including, without limitation, termination of this Lease pursuant to

paragraph 14.2.1.a. If City does not so terminate this Lease, Tenant may nonetheless construct additional Phases, provided that Tenant does so at its sole risk and acknowledging that City may nonetheless terminate this Lease.

c. The Purchase Option shall terminate.

9.3. Additional Improvements.

9.3.1. Tenant may not construct any additional Improvements (other than the Required Tenant Improvements) or make any other alterations or additions to the Premises, including but not limited to cutting the walls, ceiling, roofs, or floors, changing the exterior color, or altering the architecture, without on each occasion obtaining City's prior written consent which shall not be unreasonably withheld.

9.3.2. Tenant shall submit to City plans and specifications for all Improvements at the time City's consent is sought.

9.4. Additional Provisions.

9.4.1. Upon completion of any Improvements (including the Required Tenant Improvements) or any other alterations, improvements or additions by Tenant, Tenant shall deliver to City an affidavit by Tenant stating that Tenant's work has been completed in accordance with the plans and specifications approved by City, and deliver to City a final release of lien from Tenant's general contractor, together with an affidavit from such general contractor that all bills for labor and materials furnished to the Premises have been paid, which affidavit shall also state the names and addresses of all those in privity with such general contractor.

9.4.2. The following provisions apply only if Tenant does not exercise the Purchase Option or close thereunder:

a. All fixtures installed, and permanent alterations, Improvements, or additions made by Tenant shall become the property of City upon the expiration or earlier termination of this Lease or, if so elected in writing by City within 30 days prior to the expiration of the Term (or within 30 days after the termination of the Term prior to the expiration thereof, by any party), Tenant shall remove all its trade fixtures and any alterations, Improvements or additions which City requests to be removed and shall repair any damage to the Premises caused thereby. Tenant hereby agrees to waive any claim for improvement or betterment made to the Premises, upon expiration or termination of this Lease. Tenant's inventory, machinery, equipment and all signs installed by Tenant shall be excluded from the term "fixtures and permanent alterations, improvements or additions."

b. Provided Tenant is not in default under the terms and conditions of this Lease, Tenant shall be entitled to remove Tenant's

machinery, equipment, inventory, signs, and other personal property (other than fixtures), on or before the date of expiration of this Lease. Failure of Tenant to remove such items within such time shall, at the sole option of City, be considered an abandonment of any such items by Tenant, with time declared to be of the essence.

- 9.5. Signage. Tenant may display in, on, or above the Premises any sign or decoration, the nature of which is permitted by applicable law and in conformity with all City codes, and is not dangerous, unsightly or detrimental to the Premises. At the termination or earlier expiration of this Lease, Tenant shall, unless Tenant exercises the Purchase Option and closes thereunder, if so requested by City, remove any signs it has placed on the Premises, repairing any damage caused thereby.
- 9.6. Tenant's Delivery of Possession After Early Termination. In the event of early termination of this Lease (hereinafter "Early Termination Date"), Tenant shall promptly quit and surrender the Premises and Improvements, and deliver to City actual possession and ownership of the Premises and Improvements in the same order, condition, and repair as exists at the inception of this Lease, ordinary wear and tear excepted except as expressly set forth in paragraph 9.4.2.

10. **Condition of Premises; Maintenance.**

- 10.1. Tenant's Acceptance of Premises. Except as otherwise provided in this Lease, City is not making and specifically disclaims any warranties or representations of any kind or character, express or implied, with respect to the Premises, including, but not limited to, zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, operating history or projections, valuation, governmental approvals, governmental regulations, or any other matter or thing relating to or affecting the Premises including, without limitation: (a) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Premises, (b) the manner or quality of the construction or materials incorporated into any part of the Premises, and (c) the manner, quality, state of repair, or lack of repair of the Premises. Other than any Hazardous Substance disclosed on any environmental report, Tenant agrees that with respect to the Premises, Tenant has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of City or any agent of City. Tenant represents that it is relying solely on its own expertise and that of Tenant's consultants, and that Tenant has conducted such inspections and investigations of the Premises, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same, and, shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, which may not have been revealed by Tenant's inspections and investigations. EXCEPT AS SET FORTH OTHERWISE IN THIS LEASE, TENANT ACKNOWLEDGES AND AGREES THAT TENANT ACCEPTS THE PREMISES "AS IS, WHERE IS," WITH ALL FAULTS, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES, OR REPRESENTATIONS (EXCEPT AS SPECIFICALLY PROVIDED HEREIN) COLLATERAL TO OR AFFECTING THE PREMISES BY LANDLORD, ANY AGENT OF LANDLORD OR ANY THIRD PARTY

ACTING FOR ON BEHALF OF LANDLORD. City is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Premises furnished by any real estate broker, agent, employee, servant, or other person, unless the same are specifically set forth or referred to in this Lease. Moreover, Tenant's execution of this Lease shall be deemed to constitute an express waiver by Tenant or its successors and assigns of any right to sue City and of Tenant's right to cause City to be joined in an action brought under any federal, state, or local law, rule, act, or regulation which prohibits or regulates the use, handling, storage, transportation, or disposal of a hazardous or toxic substance or which requires removal or remedial action with respect to such hazardous or toxic substance, specifically including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 United States Code. Section 9601, et seq. and Part IV of the Florida Air and Water Pollution Control Act, Chapter 403, Florida Statutes. The terms and conditions of this paragraph 10 shall expressly survive the closing and not merge into this Lease or the Special Warranty Deed to be executed and delivered at the Option Closing.

10.2. Obligations to Repair.

10.2.1. Tenant shall, at its own expense and risk, maintain the Premises, including all Improvements, in good repair and condition at all times, including, without limitation, the interior and exterior of the Premises and Improvements, the roof, exterior walls and air-conditioning system. Tenant shall keep the Premises and Improvements in a clean, sanitary and safe condition at all times. The plumbing and other facilities shall not be used for any other purposes than that, for which they were constructed, and no foreign substances of any kind shall be deposited in the plumbing or other facilities, and the expense of any breakage, stoppage or damage resulting from the violation of this provision by Tenant shall be borne by Tenant. In the event City incurs any expense for repairs or maintenance that are the duty of Tenant to perform, but only after written notice and the expiration of any applicable grace periods, City may demand repayment of same from Tenant, and Tenant shall make payment within ten days after the demand as additional rent.

10.2.2. Without limiting the foregoing, City has no obligation to maintain the Premises or Improvements.

10.2.3. City shall not be liable for any damage or inconvenience that may arise through repair or alterations of any part of the Premises or Improvements.

10.2.4. If Tenant fails to perform its obligations to repair or maintain according to the provisions of the preceding subparagraphs above within a reasonable time (not to be less than thirty (30) days) after written notice from City of the need for such repair or maintenance (or immediately if the failure to perform repairs or maintenance endangers the safety of persons or property), City may, in addition to all other remedies available under this Lease, make the repairs or perform the maintenance, or have the repairs made or maintenance performed at its own expense. Tenant

shall, within thirty (30) days of City's demand, reimburse City for the reasonable expense of the repair or maintenance.

- 10.3. Damage to Premises. On City's demand, Tenant shall pay for all damages to the Premises, the Improvements or any portion thereof that are caused by the act or neglect of Tenant, its invitees, or any persons in Tenant's employ or control.
- 10.4. Condition at End of Term. At the earlier of the expiration of the Lease term or the termination of this Lease, Tenant will, unless Tenant exercises the Purchase Option and acquires the Premises at the Option Closing thereafter, quit the Premises, surrender them to City, and comply with its obligations under paragraph 9.4.2.
- 10.5. City Not Responsible. Except for the negligence of City or City's employees, agents or contractors, City shall not be responsible for any damage to property of Tenant or of others located in or about the Premises nor for the loss of or damage to any property of Tenant or of others by theft or misappropriation or otherwise. City 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. City shall not be liable for any such damage caused by occupants of adjacent property, occupants of the Improvements, or the public.

11. **Insurance, Indemnity.**

11.1. Indemnification.

- 11.1.1. Tenant shall hold City harmless from, and indemnify City against, any and all liability, damages, out of pocket costs and reasonable attorneys' fees, injury, actions or causes of action whatsoever:
 - a. Suffered or occasioned upon the Premises or arising out of the operation, conduct and use of the Premises, except those caused or created by City, or its agent, employees or contractors;
 - b. For any injury to or death of any person or persons or damage to property caused by the negligence or willful misconduct of Tenant, or its invitees, agents or employees, or by a default by Tenant under this Lease; or
 - c. Resulting from any generation, use, treatment, storage or release of any hazardous or toxic materials or substances or wastes at the Premises during the Lease term or resulting from any violation during the Lease term of any environmental laws, rules or regulations applicable to the Premises or any operation conducted thereon.
- 11.1.2. Tenant's grant of indemnity to City hereby survives expiration or early termination of this Lease.

- 11.2. Defense of City. In the event any action or proceeding shall be brought against City by reason of any matter for which City is indemnified hereunder, Tenant shall, upon notice from City, at Tenant's sole cost and expense, resist and defend the same, provided however, that Tenant shall not admit liability in any such matter on behalf of City without the written consent of City and provided further that City shall not admit liability for, nor enter into any compromise or settlement of, any claim for which they are indemnified hereunder, without the prior written consent of Tenant which may not be unreasonably withheld.
- 11.3. Disclaimer of Liability. City shall not be liable for injury or damage occurring to any person or property arising out of this Lease, or as a result of Tenant's possession of the Premises, including, without limitation, harm or personal injury to Tenant or third persons during Tenant's possession of the Premises or the term of this Lease.
- 11.4. Notice, Cooperation, and Expenses.
- 11.4.1. City shall give Tenant prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this paragraph. Nothing herein shall be deemed to prevent City from cooperating with Tenant and participating in the defense of any litigation by City's own counsel. Tenant shall pay all reasonable expenses incurred by City in response to any such action, suits, or proceedings. These expenses shall include all out-of-pocket expenses such as reasonable attorney fees and shall also include the reasonable value of any services rendered by City's attorney, and the actual expenses of City's agents, employees, or expert witnesses, and disbursements and liabilities assumed by City in connection with such suits, actions, or proceedings but shall not include attorney's fees for services that are unnecessarily duplicative of services provided City by Tenant.
- 11.4.2. If Tenant requests City to assist it in such defense then Tenant shall pay all expenses incurred by City in response thereto, including defending itself with regard to any such actions, suits, or proceedings. These expenses shall include all out-of-pocket expenses such as reasonable attorney fees and shall also include the costs of any services rendered by City's attorney, and the actual expenses of City's agents, employees, or expert witnesses, and disbursements and liabilities assumed by City in connection with such suits, actions, or proceedings.
- 11.4.3. Tenant shall give City prompt notice of the making of any claim or the commencement of any action, suit or other proceeding covered by the provisions of this paragraph.
- 11.5. General Liability Insurance. Tenant shall maintain during the entire Lease term and all periods in which Tenant is in possession of the Premises, such general liability insurance as will provide coverage for claims for damages for personal injury, including accidental death, as well as for claims for property damage, which may arise directly or indirectly from the Premises or Tenant's possession of the Premises, with combined single limits of not less than \$1,000,000.00 per

occurrence and with a \$2,000,000.00 aggregate. The "City of Ocala" shall be named as an additional insured.

- 11.6. If the Commercial General Liability form is used:
- a. Coverage A shall include premises, operations, products and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverages.
 - b. Coverage B shall include personal injury.
 - c. Coverage C, medical payments, is not required.
- 11.6.2. If the Comprehensive General Liability form is used, it shall include, at least Bodily Injury and Premises damage liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.
- 11.6.3. Tenant shall arrange for its liability insurances to include, or be endorsed to include, a severability of interest/cross liability provision, so that City (as Additional Insured) will be treated as if a separate policy were in existence, but without increasing the policy limits.
- 11.7. Premises Insurance. At all times during the term of this Lease, Tenant shall maintain, at its sole cost, All Risk Replacement Cost insurance covering the Premises including, without limitation, all improvements, together with any other insurance that City may require from time to time. The insurance shall be carried by insurance companies authorized to transact business in Florida, selected by Tenant and approved by City. In addition, the following conditions shall be met:
- 11.7.1. The insurance shall be in amounts no less than one hundred percent (100%) of the replacement cost of the buildings and other improvements located on the Premises (but sufficient to satisfy the requirements of any coinsurance clause).
 - 11.7.2. The insurance shall be maintained for the mutual benefit of City and Tenant. The insurance policy or policies shall name both City and Tenant as loss payees.
 - 11.7.3. Any and all fire or other insurance proceeds that become payable at any time during the Term of this Lease because of damage to or destruction of any Improvements on the Premises shall be paid to Tenant in trust and applied by Tenant toward the cost of repairing, restoring, and replacing the damaged or destroyed Improvements in the manner required by paragraph 16 of this Lease. However, if Tenant elects to exercise the option given under paragraph 16.1.2 of this Lease to terminate this Lease because of damage to or destruction of Improvements, then any and all fire or other insurance proceeds that become payable because of that damage or destruction shall be applied as follows:

- a. Proceeds shall be applied first toward the reduction of any obligations due to City under this Lease.
 - b. The balance of the proceeds, if any, shall be paid to City to compensate City, at least in part, for the loss to the fee estate to the Premises or for the value of the damaged or destroyed Improvements.
- 11.8. Construction Insurance. Tenant shall, at its sole expense, procure and maintain during the course of the construction of any improvement or alterations on the Premises constructed during the term of this Lease, "builder's risk," owner's contingent or protective liability insurance naming City as an additional insured covering claims not covered by or under the terms of the above mentioned comprehensive public liability insurance, and Tenant shall also carry during such period of construction Worker's Compensation Insurance covering all persons employed by Tenant on or in connection with such construction.
- 11.9. Deductibles. Tenant's deductibles or self-insured retentions shall be disclosed to City and may be disapproved by the latter. They shall be reduced or eliminated at the option of City upon recommendation of City's Risk Management Department. Tenant is responsible for the amount of any deductible or self-insured retention.
- 11.10. Insurance Requirements. These insurance requirements shall not relieve or limit the liability of Tenant. City does not in any way represent that these types or amounts of insurance are sufficient or adequate to protect Tenant's interests or liabilities, but are merely the minimums. No insurance is provided by City under this Lease to cover Tenant or its contractors or sub-contractors.
- 11.11. Duplicate Insurance. Insurance required of Tenant or any other insurance of Tenant which covers City shall be considered primary, and insurance or self-insurance of City shall be considered excess, as may be applicable to claims against City which arise out of this Lease.
- 11.12. Certificates. Tenant shall provide a Certificate of Insurance issued by a company authorized to do business in the State of Florida and with an A.M. Best rating of at least A, which provide for at least 30 days' notice of cancellation to be given to City. Such Certificate shall be delivered to: City of Ocala, P.O. Box 1270, Ocala, FL 34478-1270, Attention: Community Programs Department.
- 11.13. City May Change Limits. City reserves the right to increase or decrease, or expand or narrow, the minimum limits or amounts of insurance requirements set forth above whenever the liability of City under Florida law (including the Florida Tort Claims Act) increases or City's areas of liability or risk are expanded.
- 11.14. Failure to Provide Insurance. In the event that Tenant shall fail to obtain or maintain in full force and effect any insurance coverage required to be obtained by Tenant under this Lease, City may procure same from such insurance carriers as City may deem proper, irrespective that a lesser premium for such insurance coverage may have been obtained from another insurance carrier, and Tenant

shall pay as additional rent, upon demand of City, any and all premiums, costs, charges and expenses incurred or expended by City in obtaining such insurance. Notwithstanding the foregoing sentence, in the event City shall procure insurance coverage required of Tenant hereunder, City shall in no manner be liable to Tenant for any insufficiency or failure of coverage with regard to such insurance or any loss to Tenant occasioned thereby, and additionally, the procurement of such insurance by City shall not relieve Tenant of its obligations under this Lease to maintain insurance coverage in the types and amounts herein specified, and Tenant shall nevertheless hold City harmless from any loss or damage incurred or suffered by City from Tenant's failure to maintain such insurance.

11.15. Waiver of Subrogation. City 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.

11.16. Safety/Environmental.

11.16.1. Tenant is responsible at all times for precautions to achieve the protection of all persons including employees, and property.

11.16.2. Tenant shall make special effort to detect hazardous conditions and shall take prompt action where necessary to avoid accident, injury or property damage. NFPA, EPA, DEP, and all other applicable safety laws and ordinances shall be followed as well as American National Standards Institute Safety Standards. All hazardous material spills, accidents, injuries or claims or potential claims shall be immediately reported promptly to City's Risk Management Department (by phoning 352-629-8359).

11.17. Miscellaneous.

11.17.1. Tenant shall be responsible for carrying such insurance as Tenant may desire to protect Tenant's own equipment, contents, personal property and other property on the Premises, and business loss insurance

11.17.2. Tenant may not perform or fail to do any act with respect to the Premises, may not use or occupy the Premises, and may not conduct or operate Tenant's business, in any manner that is objectionable to the insurance companies, it causes them to void or suspend any insurance, or that causes them to increase the premiums above the amounts that would usually have been in effect for the occupancy under this Lease. Tenant

may not permit or suffer another person to do so with respect to the Premises.

12. **Liens on Premises.** Tenant shall not subject City's interest or estate to any liability under any construction or other lien law. No provisions of this Lease may be construed as to imply that City has consented to Tenant incurring such a lien. Upon request of City, Tenant shall promptly execute a memorandum to be recorded in the public records of Marion County, Florida, acknowledging the foregoing. If any construction lien, lis pendens, or other lien is filed against the Premises or the building for any work, labor, services, or materials that a lienor claims to have performed or furnished for Tenant or any person holding through or under Tenant, Tenant must cause that lien to be canceled and discharged of record within twenty days after City gives notice to Tenant. If such a lien is filed, City may satisfy the lien after giving notice to Tenant as provided in this paragraph and without limiting City's rights or remedies under this Lease. Tenant shall promptly reimburse City for any amounts expended to satisfy the lien and for any expenses incurred in connection with that satisfaction. Tenant has no right of setoff against City. Tenant's failure to cancel and discharge of record any lien under to this paragraph is a default by Tenant under the provisions of this Lease.

13. **Assignments and Sublets.**
 - 13.1. Permissible Assignments and Sublets. Tenant may not assign this Lease, nor license or grant any concession for the use of the Premises, to another person without obtaining City's prior written consent. City may withhold or condition such consent in the exercise of its sole discretion. Nothing set forth herein, however, shall preclude Tenant from permitting its Clients to use the Premises as permitted by paragraphs 8.1.2 and 8.2.5.

 - 13.2. Continued Liability of Tenant. If Tenant makes any assignment, sublease, license, or grant of a concession, Tenant will nevertheless remain unconditionally liable for the performance and financial obligations of all of the terms, conditions, and covenants of this Lease unless City provides written consent to such assignment.

 - 13.3. City's Right to Collect Rent From Any Occupant. If Tenant is in default on any payments under this Lease and any other person is subletting or occupying the Premises, or if Tenant assigns this Lease, City may collect rent from the assignee, subtenant, or occupant. City may apply the net amount collected to the rent required under this Lease. City's collection of the rent does not waive the covenant against assignment and subletting under this Lease nor does it constitute City's acceptance of the assignee, subtenant, or occupant as a Tenant, nor City's waiver of Tenant's further performance of the covenants contained in this Lease.

14. **Default by Tenant.**
 - 14.1. Events of Default. Upon the happening of one or more of the events set forth below (any of which is referred to hereinafter as an "Event of Default"), City shall have any and all rights and remedies hereinafter set forth:

- 14.1.1. If Tenant should fail to pay rent when it becomes due and such failure continues for three (3) days after City provides Tenant with written notice of such failure.
- 14.1.2. Tenant discontinues providing Client Services as required by paragraph 8.1 and does not recommence such services within three (3) months of such discontinuation, or Tenant fails to provide the Client Services during at least six (6) months of any calendar year. The foregoing grace period applies only concerning the discontinuation of Client Services; any provision of impermissible services, or use of the Premises contrary to the provisions of paragraph 8, shall constitute a default subject to paragraph 14.1.3.
- 14.1.3. If Tenant violates any other term, condition or covenant herein on the part of Tenant to be performed and such failure continues for fifteen (15) days after City provides Tenant with written notice of such failure; provided, however, if the default is one which cannot be cured within such time period, Tenant will have such additional time as may be required so long as Tenant diligently pursues the remedy. Notwithstanding the foregoing:
- a. Any default consisting of the failure to construct any Required Tenant Improvement is subject to the notice and opportunity to cure provisions of paragraph 9.2.6, and not this paragraph 14.1.3.
 - b. If Tenant has previously defaulted under a term, condition or covenant of this Lease and is provided with notice of and an opportunity to clear such breach, any subsequent breach of the same term, condition, or covenant shall constitute a breach of this Lease without further notice or opportunity to cure; or
 - c. The failure to provide insurance shall constitute an immediate default hereunder without the necessity of notice or an opportunity to cure.
- 14.1.4. In the event a petition in bankruptcy under any present or future bankruptcy laws (including but not limited to reorganization proceedings) be filed by or against Tenant and such petition is not dismissed within thirty (30) days from the filing thereof, or in the event Tenant is adjudged a bankrupt;
- 14.1.5. In the event an assignment for the benefit of creditors is made by Tenant;
or
- 14.1.6. In the event of an appointment by any court of a receiver or other court officer of Tenant's property and such receivership is not dismissed within thirty (30) days from such appointment.

14.2. City's Remedies.

14.2.1. If any Event of Default occurs, City shall have the right, at the option of City, to pursue one or more of the following remedies, in addition to all other remedies available at law or equity:

- a. Terminate this Lease and thereupon reenter and take possession of the Premises.
- b. Pursue an action at law for damages, or in equity to enforce specific performance of Tenant's obligations.
- c. Remove all or any part of Tenant's property from the Premises and any property removed may be stored in any public warehouse or elsewhere at the cost of, and for the account of Tenant, and City shall not be responsible for the care or safekeeping thereof whether in transport, storage or otherwise. Tenant hereby waives any claim against City for loss, destruction and/or damage or injury that may be occasioned by any of the previously mentioned acts. In addition to any statutory lien granted to City, this Lease shall be deemed and considered to grant City a security interest in the previously mentioned items and City shall have all the rights of a secured party under the Uniform Commercial Code.

14.3. City May Cure Tenant's Defaults. If Tenant shall default in the performing of any covenant or condition of this Lease, City may, at its sole discretion, perform the same for the account of Tenant and Tenant shall reimburse City for any expense incurred therefore together with interest thereon at the highest legal rate. This provision imposes no duty on City nor waives any right of City otherwise provided in this Lease.

15. **Default by City.**

15.1. City's Default. City will be deemed in default of this Lease if City fails to perform or observe any agreement or condition of this Lease on its part to be performed or observed and if such failure continues for thirty days after Tenant provides City with written notice of such failure. If the default is one that cannot be cured within thirty days, City will have such additional time as may be required so long as City diligently pursues the remedy.

15.2. Remedies upon City's Default. If City defaults in the performance of any of the obligations or conditions required to be performed by City under this Lease, Tenant may, after giving notice as provided above, either cure the default and deduct the cost thereof from rent subsequently becoming due hereunder, or elect to terminate this Lease. In that event, this Lease shall terminate upon the date specified in the notice, unless City has meanwhile cured the default to the satisfaction of Tenant.

16. **Destruction or Damage to Premises from Casualty.**

- 16.1. **Destruction or Fifty Percent Damage.** In the event that the Improvements are Completely Destroyed, or are Damaged in Excess of Fifty Percent (as such terms are defined in paragraph 16.3 below), due to any cause whatsoever, Tenant shall:
- 16.1.1. At its own expense repair, restore, or replace the damaged Improvements if Tenant deems it practical or advisable to do so, and this Lease shall continue in full force and effect; or
- 16.1.2. If Tenant deems it impractical or inadvisable to repair, restore, or replace the destroyed property, Tenant may terminate this Lease by providing written notice thereof to City.
- 16.2. **Damage Less Than Fifty Percent.** In the event that damage to the Improvements due to any cause whatsoever is not in excess of fifty percent, Tenant shall at its own expense repair, restore, or replace the damaged Improvements with due diligence, and this Lease shall continue in full force and effect.
- 16.3. **Definitions.** The phrase "Completely Destroyed" shall be construed to mean the destruction of the safe, tenable use of occupancy of all Improvements under this Lease. The phrase "Damaged in Excess of Fifty Percent" shall be construed to mean any damage to the Improvements (including damage caused solely by water used in extinguishing fire) that will require an expenditure in excess of fifty percent of the market value (immediately prior to the damage as determined by the most recent valuation (if available) as determined by the Marion County Property Appraiser) of the Improvements to accomplish required repairs, restoration, or replacement.
17. **Quiet Enjoyment.** City covenants that so long as Tenant pays the rent and additional rent and performs the covenants under this Lease, Tenant is entitled to peaceful and quiet possession and enjoyment of the Premises for the Lease term, subject to the Lease provisions.
18. **Eminent Domain.**
- 18.1. 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 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.
- 18.2. 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 the Premises, then Tenant shall either (a) at its own expense so repair the remaining portion of the Premises for the remainder of the term; or (b) terminate this Lease.
- 18.3. Except as provided in this paragraph, 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 City's covenant of quiet enjoyment.

18.4. All damages awarded and any good faith deposit made by the condemning authority for such taking under the power of eminent domain whether for the whole or a part of the Premises shall belong to and be the sole property of City whether such damages shall be awarded as compensation for the taking of the fee or diminution in value to the leasehold or to the fee of the Premises; provided, however, Tenant shall be entitled to any part of a damage award or separate award for damages: (a) to any Improvements constructed by Tenant; or (b) for Tenant's business damages or moving expenses. Any award (excluding those to which Tenant is entitled under the foregoing sentence), will be paid to City. Tenant and City will request the Court to allocate the award as required by this paragraph 18.4

19. **Purchase Option.**

19.1. Grant of Purchase Option.

19.1.1. City grants to Tenant the exclusive right and option (the "Purchase Option") to purchase the Premises during the Option Period set forth below and under the terms set forth in this paragraph 19.

19.1.2. The Purchase Option may only be exercised if this Lease is in full force and effect, and Tenant is not in default hereunder.

19.2. Option Period.

19.2.1. The Option Period shall commence only after Tenant has Substantially Completed all of the Required Tenant Improvements as and when required by paragraph 9.2.

19.2.2. In such event, the Option Period shall:

- a. Commence upon the date that Tenant has Substantially Completed the last of the Required Tenant Improvements.
- b. End one (1) year following such date.

19.3. Exercise of Purchase Option. To exercise the Purchase Option, Tenant must provide written notice of the exercise of the Purchase Option during the Option Period.

19.4. Lease to Continue Until Closing. Notwithstanding Tenant's exercise of the Purchase Option, the Lease shall continue until the Option Closing and Tenant shall continue to perform all obligations hereunder including the payment of rent. At closing, the Lease shall terminate (with no rebate of rent) except to the extent that certain provisions thereof are set forth in the deed pursuant to paragraph 19.8.2.b.

19.5. Automatic Termination. If Tenant fails to exercise the Purchase Option in accordance with the terms of this paragraph 19 within the Option Period, the Purchase Option shall terminate without notice, and Tenant must execute, acknowledge, and deliver to City within five days of City's request, a release,

quitclaim deed, or any other document required by City or a title insurance company to verify the termination of the Purchase Option.

19.6. Assignability of Option. Tenant may not assign the Purchase Option without the express written consent of City which may be withheld or conditioned in City's sole discretion.

19.7. Subsequent Commitment. If Tenant exercises the Purchase Option, Tenant may obtain, at Tenant's expense at least fifteen (15) days prior to the Closing under the Option, a commitment (a "Subsequent Commitment") for an owner's title insurance policy for the Premises in an amount equal to the value of the Premises as determined by Tenant in its reasonable discretion. In the event that a Subsequent Commitment: contains any exceptions or matters that render the title non-marketable; and such exceptions or matters were not set forth in the First Commitment, the following provisions shall apply:

19.7.1. In the event that the new exceptions or matters arise by, through, under or against the, City shall exercise reasonable diligence in the curing of any such exceptions or matters, including the payment and discharge of any liens or encumbrances affecting the title of the Parcel.

19.7.2. Otherwise, the provisions of paragraph 3.6.1.d shall apply.

19.8. Option Closing.

19.8.1. The Option Closing shall occur on the first business day that is ninety (90) days after Tenant exercises the Option.

19.8.2. At the Option Closing:

a. Tenant shall pay City One and 00/100 Dollars (\$1.00) representing the purchase price for the Premises. Such amount is less than the fair market value of the Premises but has been agreed to between City and Tenant as fair and adequate consideration in light of Tenant's construction of the Required Tenant Improvements and the benefit to the community provided by the provision of the Client Services.

b. City shall execute and deliver to Tenant a special warranty deed:

1). Covenantee that, at the time of the delivery of such deed, the Premises were free from all encumbrances made by City (except to the extent they constitute Permitted Exceptions hereunder) and that it will warrant and defend against the same against the lawful claims and demands of all persons claiming by, through or under City, but against none other.

2). Containing the Right of Reverter (as defined in paragraph 19.9).

- 3). Requiring Tenant to provide the Client Services consistent with paragraph 8.1.
 - 4). Permitting Tenant to utilize the Premises for the uses set forth in paragraph 8.2.
 - 5). Prohibiting Tenant from utilizing the Premises for any uses set forth in paragraph 8.3.
- c. Tenant shall pay all closing costs including documentary excise taxes on the deed (if any), recording fees and title insurance premiums. Each party will bear its own attorneys' fees.

19.9. Right of Reverter.

19.9.1. In the event that any of the following occur, title to the Premises shall revert to City:

- a. Tenant discontinues providing Client Services as required by paragraph 8.1 and does not recommence such services within three (3) months of such discontinuation, or Tenant fails to provide the Client Services during at least nine (9) months of any calendar year.
- b. Tenant uses the Premises for any use other than as permitted by paragraph 8.2, or for any use prohibited by paragraph 8.3.
- c. Tenant fails to pay any charges for utilities or related services provided to the Premises by City, and such failure continues for fifteen (15) days following written notice of such failure from City.

19.9.2. City's right of reverter (the "Right of Reverter"):

- a. Shall be set forth in the deed for the Premises from City to Tenant; and
- b. Shall be prior and superior to any encumbrances, leases, liens or mortgages placed on the Premises.

19.9.3. In the event the Premises reverts to City pursuant to the Right of Reverter, Tenant shall execute and deliver to City:

- a. A special warranty deed conveying the Premises to City free and clear of all restrictions, agreements, prohibitions, mortgages, leases, liens or encumbrances, except those existing at the time of conveyance of the Premises from City to Tenant. Tenant shall pay the cost of recording such deed as well as documentary excise taxes, if any, on such deed.

- b. An environmental indemnification agreement from Tenant with respect to any environmental contamination caused by Tenant at, on or from the Premises, and satisfactory to City in the exercise of its reasonable discretion.

19.9.4. City shall provide written notice (the "Reverter Notice") to Tenant of City's election to have the Premises revert to City under this paragraph 19.9. Tenant shall execute and deliver to City the documents described in paragraph 19.9.3 within thirty (30) days of the Reverter Notice.

19.9.5. Tenant may avoid the Right of Reverter by paying to City the Fair Market Value of the Premises calculated as of the date that City provides the Reverter Notice.

- a. If Tenant desires to avoid the Right of Reverter under this paragraph, it shall provide written notice to City within fifteen (15) days of the date that City provides the Reverter Notice. Tenant's failure to do so shall constitute a waiver of its right to so avoid the Right of Reverter.

- b. The Fair Market Value shall be determined by an appraisal to be conducted and utilized as follows:

- 1). If City and Tenant can agree on a single appraiser, such appraiser shall perform the appraisal, whereupon City and Tenant shall each bear one-half of the appraiser's fees and the appraisal shall be deemed the Fair Market Value.

- 2). If Tenant and City are unable to agree upon a single appraiser within thirty (30) days of the Reverter Notice, Tenant shall select one appraiser and City shall select another appraiser within twenty (20) days of such written notice. In the event a party does not timely select an appraiser, such party shall be deemed to have selected the appraiser selected by the other party. Each party shall pay the cost and expenses of the appraiser selected by the party. Within thirty (30) days following its appointment, each of the appraisers shall deliver a written appraisal to both parties.

- (a). In the event the higher of the two values exceeds the lower of the two values by ten percent (10%) or less of the higher of the two values, the Fair Market Value shall be the sum of the two values divided by two (2).

- (b). In the event the higher of the two values exceeds the lower of the two values by more than ten percent (10%) of the higher of the two values, then, unless Tenant and City otherwise agree on

the Fair Market Value within ten (10) days after the delivery of the last of the appraisals, the two appraisers shall appoint a third appraiser who shall issue a written report indicating which of the two appraised values is closer to the fair market value of the Premises, and such value shall be the Fair Market Value. The cost of the third appraiser shall be born equally by Tenant and City.

(c). Each appraiser selected under this paragraph 19.9.5 shall be a real estate appraiser with MAI credentials, with experience appraising properties like that of the Premises.

3). The appraiser(s) shall appraise the fair market value of the Premises as if vacant, i.e., excluding the value of any Improvements.

4). Tenant shall pay City the Fair Market Value within thirty (30) days of the determination of Fair Market Value.

c. Upon payment of the Fair Market Value to City under this paragraph 19.9.5, City shall execute and deliver to Tenant a recordable instrument acknowledging that the Right of Reverter has terminated and no longer applies to the Premises.

20. **Estoppel Certificates.** City or Tenant shall have the right to request the other party to provide an estoppel certificate, as described below, without charge, fifteen days after the requesting party sends a written notice. This estoppel certificate shall consist of a written statement certifying the following information to the requesting party or to any person specified by that party:

20.1. That this Lease is unmodified and in full force and effect; or, if there have been any modifications in this Lease, that this Lease is in full force and effect as modified, specifying the nature of each modification.

20.2. The dates through which the rent and other charges payable under this Lease have been paid.

20.3. Whether the other party to this Lease is in default in the performance or observance of any covenant, agreement, condition, term, or provision contained in this Lease, to the best knowledge of the certifying party, and, if so, specifying the nature of each default the certifying party has knowledge of.

20.4. Any other information with respect to this Lease and the Premises that the requesting party shall reasonably request.

21. **Leasehold Mortgage.**

- 21.1. City acknowledges and agrees that Tenant shall have the right to finance its interest in this Lease including, without limitation, the cost of constructing the Required Tenant Improvements. City agrees that notwithstanding any other provision of this Lease, either express or implied, to the contrary, such financing (the "Leasehold Mortgage") may be in the form of a mortgage, including, in connection therewith, a collateral assignment of this Lease. The execution and delivery of a Leasehold Mortgage shall not, in and of itself, be deemed to constitute an assignment or transfer of this Lease nor shall the Leasehold Mortgagee, as such, be deemed an assignee or transferee of this Lease so as to require such Leasehold Mortgagee to assume the performance of any of the covenants or agreements on the part of Tenant to be performed hereunder. Only one Leasehold Mortgage shall be permitted at any one time.
- 21.2. Any such leasehold financing shall be subordinate to this Lease and shall not allow the holder of the Leasehold Mortgage ("Leasehold Mortgagee") to eliminate or damage City's reversionary interest in the Premises.
- 21.3. No voluntary termination by Tenant of this Lease shall be effective unless consented to in writing by such Leasehold Mortgagee; and any material amendment or material modification of this Lease, or the exercise by Tenant of any option to terminate this Lease, without the written consent of such Leasehold Mortgagee, shall be voidable as against such Leasehold Mortgagee at its option. If any Leasehold Mortgagee shall fail to respond to any request for written consent under this paragraph 21.3 within thirty (30) days after the receipt by such Leasehold Mortgagee of such written request (which written request shall make specific reference to this paragraph 21.3), the Leasehold Mortgagee shall be deemed to have granted its consent to such request.
- 21.4. After the recording of any Leasehold Mortgage made by Tenant, and notwithstanding anything to the contrary contained in this Lease, so long as such Leasehold Mortgage is a lien on the leasehold estate of Tenant hereunder and City has actually received from such Leasehold Mortgagee or from Tenant written notice of the Leasehold Mortgage together with the identity of and the address of the Leasehold Mortgagee, City and Tenant agree as follows:
- 21.4.1. In the event of a default by Tenant under this Lease, City shall deliver to the Leasehold Mortgagee a copy of any notice given under this Lease at the same time such notice is delivered by City to Tenant. City agrees that no notice of default or termination of this Lease, shall be effective unless City gives the Leasehold Mortgagee written notice (or a copy of the notice given to Tenant) of the default or termination.
- 21.4.2. In the event of a default by Tenant under this Lease, the Leasehold Mortgagee shall have the same periods to cure a default following its receipt of written notice as are provided to Tenant in paragraph 14.1 of this Lease (the "Cure Period"). The Leasehold Mortgagee, without prejudice to its rights against Tenant, shall have the right to cure such default within the Cure Period whether the same consists of the failure to pay rent or the failure to perform any other obligation on Tenant's part to

be performed under this Lease as described in such paragraphs. City shall accept performance by the Leasehold Mortgagee as though the same had been performed by Tenant and, for such purpose, City and Tenant hereby authorize the Leasehold Mortgagee to enter upon the Premises and to perform any of Tenant's obligations under this Lease, provided that the Leasehold Mortgagee shall indemnify and hold City harmless from all claims and liabilities arising out of such action, including attorneys' fees.

21.4.3. If it shall be necessary for Leasehold Mortgagee to obtain possession of the Premises to effect any such cure of a default by Tenant under this Lease, then City shall not commence any proceeding or action to terminate this Lease if: (a) the Leasehold Mortgagee shall have informed City that the Leasehold Mortgagee has taken steps to foreclose or enforce its Leasehold Mortgage, so that it or a purchaser at a foreclosure sale would be able to obtain possession of the Premises, (b) the rent shall be paid and all other provisions and requirements of this Lease which are capable of being observed and performed without obtaining possession of the Premises are so observed and performed while any such foreclosure, or other remedy is being prosecuted by any such Leasehold Mortgagee and for so long thereafter as such Leasehold Mortgagee shall have obtained possession of the Premises, and (c) such Leasehold Mortgagee shall be diligently prosecuting such foreclosure or cancellation and attempting to effect a cure of the default. Nothing herein contained shall be deemed to require the Leasehold Mortgagee to continue with any foreclosure or other proceedings, or, if such Leasehold Mortgagee shall otherwise acquire possession of the Premises, to continue such possession if the default in respect to which City shall have given the notice shall be remedied. City's obligation to refrain from commencing any proceeding or action to terminate the term of this Lease pursuant to this paragraph 21.4.3 shall terminate on the date that is one (1) year after the Leasehold Mortgagee informs City pursuant to (a) above that the Leasehold Mortgagee is pursuing the remedies set forth in such provision.

21.4.4. In the event of the termination of this Lease by reason of any default by Tenant, City shall provide written notice thereof to Leasehold Mortgagee and thereafter shall enter into a new lease of the Premises with Leasehold Mortgagee or its nominee for the remainder of the term of this Lease, effective as of the date of such termination, at the rent and upon the terms, options, provisions, covenants and agreements as herein contained, provided:

- a. Such Leasehold Mortgagee makes written request upon City for such new lease prior to or within ten (10) days after the date of such termination and such written request is accompanied by payment to City of all sums then due to City hereunder;
- b. Such Leasehold Mortgagee or its nominee pays to City at the time of the execution and delivery of new lease any and all sums which would at that time be due hereunder but for such termination, together with any expenses, including reasonable

attorneys' fees, incurred by City as a result of such termination, as well as in the preparation, execution and delivery of such new lease; and

- c. The Leasehold Mortgagee or its nominee cures all prior defaults by Tenant to the extent they can be cured, or if they cannot be cured, provides to City the substantial equivalent of the action to have been performed by Tenant.
- 21.5. If the Leasehold Mortgagee, or any other person, shall acquire Tenant's leasehold interest in the Premises by foreclosure, assignment in lieu of foreclosure, or substantially similar means, City shall thereafter accept performance of this Lease by the person acquiring the leasehold interest provided that the purchaser executes an instrument acceptable to City in its reasonable discretion assuming all obligations of Tenant as lessee that arise thereafter.
 - 21.6. City acknowledges and agrees that any third party purchaser at a foreclosure sale, or any third party purchaser of the leasehold interest hereunder from the Leasehold Mortgagee after the Leasehold Mortgagee's acquisition thereof, shall have the right to encumber its leasehold interest with a Leasehold Mortgage, and the mortgagee thereunder shall have all of the rights of a Leasehold Mortgagee set forth in this paragraph. The provisions of this paragraph are for the benefit of and shall be enforceable by any Leasehold Mortgagee.
 - 21.7. City shall provide such cooperation as reasonably requested by Tenant in connection with the procurement of, and compliance, with any Leasehold Mortgage as set forth in this paragraph 21.

22. **Miscellaneous Provisions.**

- 22.1. Force Majeure. Delays in performance due to: fire; flood; hurricane; tornado; earthquake; windstorm; sinkhole; unavailability of materials, equipment or fuel; war; declaration of hostilities; terrorist act; civil strife; strike; labor dispute; epidemic; archaeological excavation; or act of God, shall be deemed events of Force Majeure and such delays shall be excused in the manner herein provided. If such party is delayed in any work pursuant to this Lease for occurrence of an event of Force Majeure, the date for action required or contemplated by this Lease shall be extended by the number of days equal to the number of days such party is delayed. The party seeking to be excused based on an event of Force Majeure shall give written notice of the delay indicating its anticipated duration. Each party shall use its best efforts to rectify any conditions causing the delay and will cooperate with the other party, except where the cooperating party will be required to incur unreasonable additional costs and expenses, to overcome any loss of time that has resulted.
- 22.2. Recording of Lease. City and Tenant agree that, except as expressly set forth elsewhere herein, neither this Lease nor any notice or memorandum of this Lease shall be recorded in the public records.
- 22.3. Broker Representation. Each party covenants to and represents to the other that neither party has dealt with any real estate broker, sales person or agent in this

Lease and each party hereby agrees to indemnify and hold harmless the other from and against any real estate brokers claiming by, through or under them.

- 22.4. Entity Tenant. If Tenant purports to be is a corporation or other entity, the persons executing this Lease on behalf of Tenant hereby covenant, represent and warrant that Tenant is a duly incorporated or formed, or duly qualified (if foreign) corporation or entity and is authorized to do business in the State where the Premises is located (a copy of evidence thereof to be supplied to City upon request); and that the person executing this Lease on behalf of Tenant is duly authorized to execute, acknowledge, and deliver this Lease to City.
- 22.5. Enforcement. All of the terms and provisions of this agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective legal representatives, heirs, estates, successors and permitted assigns.
- 22.6. Exclusive Venue. The parties agree that the exclusive venue for any litigation, suit, action, counterclaim, or proceeding, whether at law or in equity, which arises out of concerns, or relates to this agreement, any and all transactions contemplated hereunder, the performance hereof, or the relationship created hereby, whether sounding in contract, tort, strict liability, or otherwise, shall be in Marion County, Florida.
- 22.7. JURY WAIVER. EACH PARTY HEREBY COVENANTS AND AGREES THAT IN ANY LITIGATION, SUIT, ACTION, COUNTERCLAIM, OR PROCEEDING, WHETHER AT LAW OR IN EQUITY, WHICH ARISES OUT OF CONCERNS, OR RELATES TO THIS LEASE, ANY AND ALL TRANSACTIONS CONTEMPLATED HEREUNDER, THE PERFORMANCE HEREOF, OR THE RELATIONSHIP CREATED HEREBY, WHETHER SOUNDING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE, TRIAL SHALL BE TO A COURT OF COMPETENT JURISDICTION AND NOT TO A JURY. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY. ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS LEASE WITH ANY COURT, AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO OF THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. NEITHER PARTY HAS MADE OR RELIED UPON ANY ORAL REPRESENTATIONS TO OR BY THE OTHER PARTY REGARDING THE ENFORCEABILITY OF THIS PROVISION. EACH PARTY HAS READ AND UNDERSTANDS THE EFFECT OF THIS JURY WAIVER PROVISION.
- 22.8. Notices.
- 22.8.1. All notices, requests, consents and other communications (each a "Communication") required or permitted under this Agreement shall be in writing (including emailed Communications) and shall be (as elected by the person giving such Communication) hand delivered by messenger or courier service, emailed, or mailed by Registered or Certified Mail (postage pre-paid), Return Receipt Requested, addressed to the following or to such other addresses as any party may designate by Communication complying with the terms of this paragraph:

22.8.2. Each such Communication shall be deemed delivered:

- a. On the date delivered if by personal delivery;
- b. On the date of email transmission if by email; and
- c. If the Communication is mailed, on the earlier of: (a) the date upon which the Return Receipt is signed; (b) the date upon which delivery is refused; (c) the date upon which Communication is designated by the postal authorities as not having been delivered; or (d) the third business day after mailing.
- d. Notwithstanding the foregoing, service by personal delivery received, or by email sent, after 5:00 p.m. shall be deemed to have been made on the next day that is not a Saturday, Sunday or legal holiday.

22.8.3. Concerning Communications sent by email:

- a. The Communication shall not be deemed to have been delivered if the sender receives a message from the sender's or the recipient's internet service provider or otherwise that the email was not delivered or received;
- b. If the sender receives an automatic reply message indicating that the recipient is not present to receive the email (commonly referred to as an "out of the office message"), the email shall not be deemed delivered until the recipient returns;
- c. Any email that the recipient replies to, or forwards to any person, shall be deemed delivered to the recipient.
- d. The sender must print the email to establish that it was sent (though it need not do so at the time the email was sent); and
- e. The sender shall maintain the digital copy of the email in its email system for a period of no less than one year after it was sent.

22.8.4. If a Communication is delivered by multiple means, the Communication shall be deemed delivered upon the earliest date determined in accordance with the preceding subparagraph.

22.8.5. If the above provisions require Communication to be delivered to more than one person (including a copy), the Communication shall be deemed delivered to all such persons on the earliest date it is delivered to any of such persons.

- 22.9. Governing Laws. This agreement and all transactions contemplated by this agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida without regard to principles of conflicts of laws.
- 22.10. Attorney's Fees. If any legal action or other proceeding (including, without limitation, appeals or bankruptcy proceedings) whether at law or in equity, which arises out of, concerns, or relates to this agreement, any and all transactions contemplated hereunder, the performance hereof, or the relationship created hereby; or is brought for the enforcement of this agreement, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses even if not taxable as court costs, incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.
- 22.11. Counterparts. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument.
- 22.12. Remedies. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy hereunder shall preclude any other or further exercise thereof.
- 22.13. Severability Clause. Provisions contained in this agreement that are contrary to, prohibited by or invalid under applicable laws or regulations shall be deemed omitted from this document and shall not invalidate the remaining provisions thereof.
- 22.14. Waiver.
- 22.14.1. A failure to assert any rights or remedies available to a party under the terms of this agreement, or a waiver of the right to remedies available to a party by a course of dealing or otherwise shall not be deemed to be a waiver of any other right or remedy under this agreement, unless such waiver of such right or remedy is contained in a writing signed by the party alleged to have waived his other rights or remedies.
- 22.14.2. No payment by Tenant or receipt by City 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 City or its agents may accept such check or payment without prejudice to City's right to recover the balance of the amount due or to pursue any other remedy provided in this Lease or by applicable Law.
- 22.15. Entire Understanding. This agreement represents the entire understanding and agreement between the parties with respect to the subject matter hereof, and

supersedes all other negotiations (if any) made by and between the parties. The provisions of this agreement may not be amended, supplemented, waived, or changed orally but only by a writing making specific reference to this agreement signed by the party as to whom enforcement of any such amendment, supplement, waiver or modification is sought.

IN WITNESS WHEREOF, the parties have executed this Lease on the dates set forth below.

**THIS PART OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURES START ON NEXT PAGE**

LANDLORD

City of Ocala, a Florida municipal corporation

Roseann J. Fusco
Witness

Roseann J. Fusco
Print Witness Name

Tracey L. Florence
Witness

Tracey L. Florence
Print Witness Name

By: *Jay A. Musleh*
Jay A. Musleh
President, Ocala City Council

Address for communication:
City of Ocala
Attention: City Planning Director
1200 SW 60th Avenue
Ocala, FL 34474
Fax: 352-861-2227

ATTEST:

Angel B. Jacobs
Angel B. Jacobs
City Clerk

Approved as to form and legality

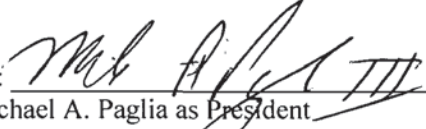
Patrick G. Gilligan
Patrick G. Gilligan
City Attorney

ACCEPTED BY CITY COUNCIL
November 3, 2015
DATE
OFFICE OF THE CITY CLERK



TENANT

Transitions Life Center & Community, Inc., a
Florida not for profit corporation

By: 
Michael A. Paglia as President

Address for communications:
Mailing: P.O. Box 236
Ocala, FL 34478

Delivery: 8285 SE 3rd Court
Ocala, FL 34480
Office: (352) 476-2704
Cell: (352) 266-2127


Witness

Peggy S. Cash
Print Witness Name


Witness

Peter A. Lee
Print Witness Name

**EXHIBIT A
PROPERTY**

Lots 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19, HOMEWOOD, as per plat thereof recorded in Plat Book C, Page 73, Public Records of Marion County, Florida, except the southeasterly 86.85 feet of Lot 16 lying south of the City of Ocala Electric Utility Easement referred to in the instrument recorded in OR Book 1936, Page 931, Public Records of Marion County, Florida.

EXHIBIT B SKETCH

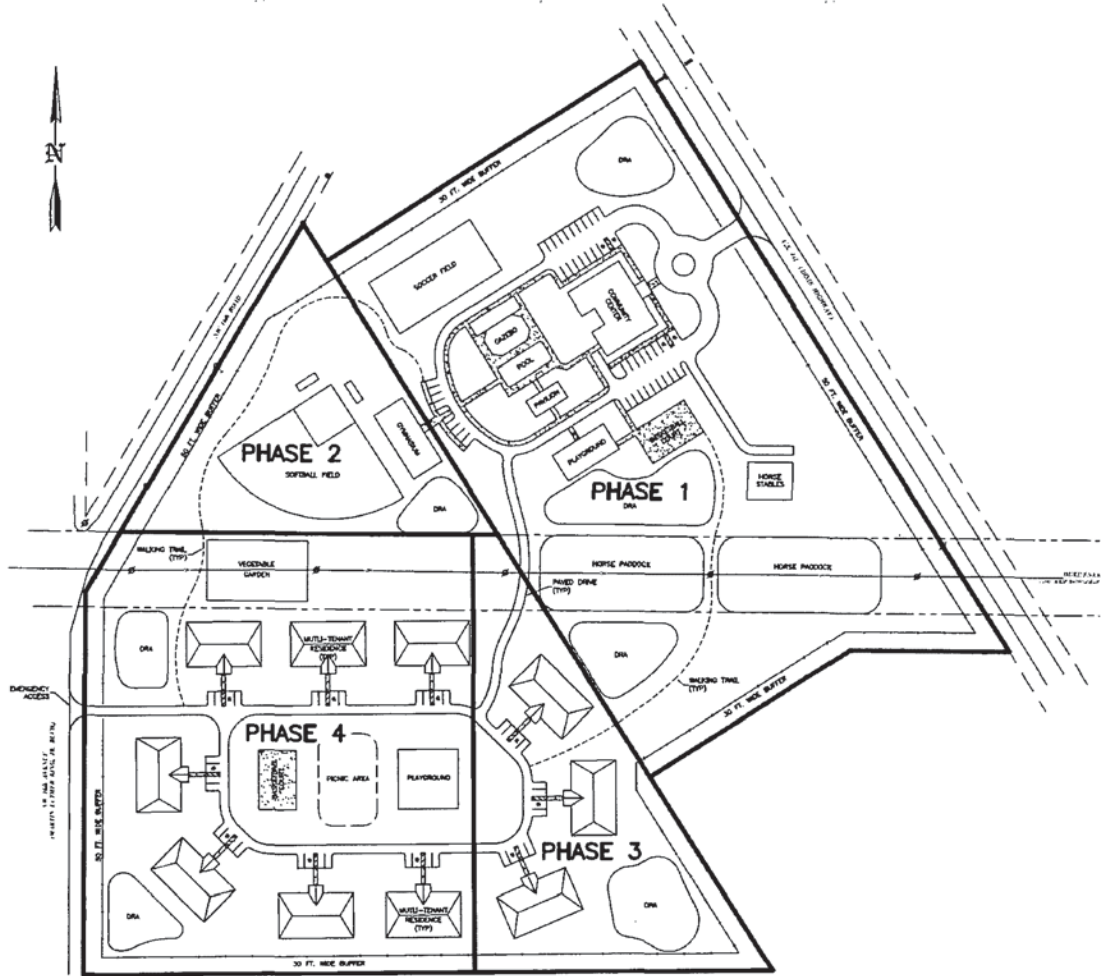


EXHIBIT C
PROPOSED COMMUNITY CENTER

PROPOSED COMMUNITY CENTER

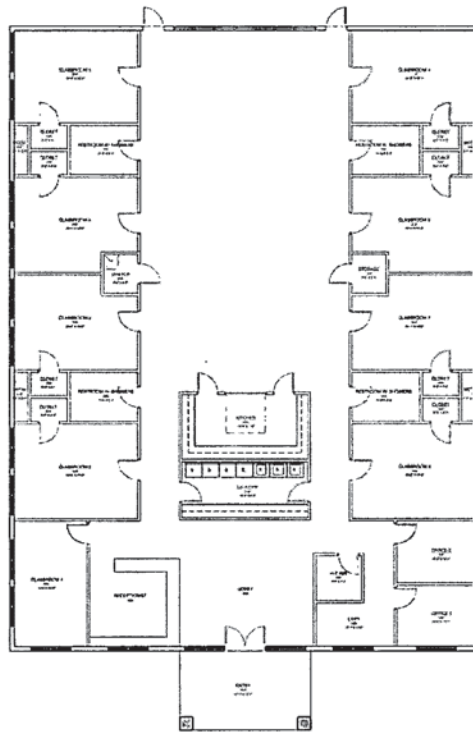
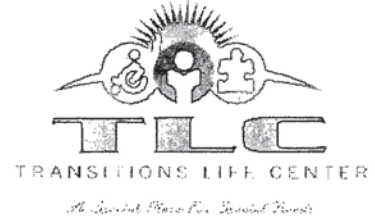


EXHIBIT D
PHASE LEGAL DESCRIPTIONS

Phase 1 – Legal Description

All of lots 5, 8, 9, 12, 13 and a portion of lots 16 and 17, of Homewood, according to the plat thereof recorded in Plat Book C, Page 73, of the Public Records of Marion County, Florida, being more particularly described as follows:

Begin at the northeast corner of lot 5 of said Homewood, said point being on the westerly right-of-way line of Dixie Highway (a.k.a. N.W. Gainesville Road – 66 feet wide); thence S32°16'16"E along the east line of said Homewood and said westerly right-of-way line of Dixie Highway, a distance of 929.02 feet; thence departing said east line and said right-of-way line, proceed N 89°33'37"W, a distance of 213.41 feet, thence S57°44'16"W, 315.44 feet to a point on the westerly line of lot 16 of said Homewood; thence N32°16'16"W along the westerly line of lots 16, 13, 12, 9, 8 and 5 of said Homewood, a distance of 812.64 feet to the northwest corner of said lot 5; thence N57°36'44"E along the north line of said lot 5, a distance of 495.00 feet to the Point of Beginning, containing 9.48 acres more or less.

Phase 2 – Legal Description

Lot 6 and a portion of lots 7 and 10, of Homewood, as per the plat thereof recorded in Plat Book "C", Page 73, of the Public Records of Marion County, Florida, being more particularly described as follows:

Begin at the northeast corner of lot 6 of said Homewood, said point being on the southerly right-of-way line of Drake Avenue (a.k.a. N.W. 16th Road – 50' wide); thence departing said right-of-way line, proceed S32°16'16" E along the easterly line of said lots 6, 7 and 10, a distance of 431.82 feet; thence departing said easterly line, proceed N89°33'37"W, 504.51 feet to a point on the aforementioned southerly right-of-way line of Drake Avenue; thence N30°31'28" E along said right-of-way line, a distance of 477.30 feet to the Point of Beginning, containing 2.39 acres more or less.

Phase 3 – Legal Description

A portion of lots 10, 11, 14, 15 and 18, of Homewood, as per the plat thereof recorded in Plat Book "C", Page 73, of the Public Records of Marion County, Florida, being more particularly described as follows:

Begin at southeast corner of lot 18 of said Homewood; thence S89°36'03"W, along the south line of said lot 18, a distance of 397.81 feet; thence departing said south line, proceed N00°19'28"W, 584.31 feet; thence S89°33'37"E, 33.70 feet to a point on the easterly line of lot 10 of said Homewood, thence S32°16'16"E along the easterly line of lots 10, 11, 14, 15 and 18 of said Homewood, a distance of 687.64 feet to the Point of Beginning, containing 2.89 acres more or less.

Phase 4 – Legal Description

A portion of lots 7, 10, 11, 14, 15 and 18, of Homewood, according to the plat thereof recorded in Plat Book "C", Page 73, of the Public Records of Marion County, Florida, being more particularly described as follows:

Begin at the intersection of the west right-of-way line of Bullock Avenue (a.k.a. N.W. 16th Avenue – 50 feet wide) with the southeasterly right-of-way line of Drake Avenue (a.k.a. N.W. 16th Road – 50 feet wide), said point also being on the westerly line of lot 7 of said

Homewood; thence $N30^{\circ}31'28''E$ along said southeasterly right-of-way line of Drake Avenue, a distance of 92.80 feet; thence departing said right-of-way line, proceed $S89^{\circ}33'37''E$, 470.81 feet; thence $S00^{\circ}19'28''E$, 584.31 feet to a point on the south line of lot 18 of said Homewood; thence $S89^{\circ}36'03''W$ along the south line of lots 18 and 15 of said Homewood, a distance of 523.20 feet to a point on the aforementioned east right-of-way line of Bullock Avenue; thence departing said south line, proceed $N00^{\circ}13'06''E$ along said right-of-way line, a distance of 511.62 feet to the Point of Beginning, containing 6.98 acres more or less.

EXHIBIT E
PERMITTED EXCEPTIONS

1. Plat of Homewood as recorded in Plat Book C, page 73.²
2. Order of Taking as recorded in OR Book 1951, page 944.
3. Florida Power Corporation easement as set forth in Minute Book 39, page 232.

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² All recording references shall refer to the public records of Marion County, Florida.



CITY OF OCALA
INTERDEPARTMENTAL CORRESPONDENCE

DATE: December 11, 2015

FROM: Roseann J. Fusco
City of Ocala Clerk's Office

TO: Linda Landers, Legal Assistant
City Attorney's Office

THE FOLLOWING DOCUMENT(S) NEED(S) TO BE SIGNED BY W. JAMES GOODING III AND RETURNED TO THE CITY CLERK'S OFFICE:

| | | |
|---------------------|--|---------|
| 12/11/15 gooding | 2 orgs - Maintenance Agreement for Public Crossings & Signals - Florida Northern Railroad Company, Inc. - 7e 12/1/15 - gina/sean | gooding |
| 12/11/15 gooding | 2 orgs - Agreement for Funding of Railroad Track Rehabilitation & Railroad Project Consultation Services - City of Ocala Federal Railroad Administration Grant - Florida Northern Railroad Company, Inc., - 7e 12/1/15 - gina/sean | gooding |

Received by: _____

Date: _____

RECEIVED
DEC 11 2015

BY: