

GROUND LEASE AND DEVELOPMENT AGREEMENT

THIS GROUND LEASE AND DEVELOPMENT AGREEMENT (“Agreement” or “Lease”) is entered into by and between the CITY OF GAINESVILLE, a Florida municipal corporation (“Lessor” or the “City”); the GAINESVILLE COMMUNITY REDEVELOPMENT AGENCY, a body corporate and politic (“CRA”) and CONCEPT COMPANIES, INC. (“Lessee”), a Florida corporation. Lessor, Lessee and CRA are collectively referred to as the “Parties.”

WHEREAS, the City owns a 13.6 acre parcel of property located in the 2100 to 2200 blocks of SE Hawthorne Road (“Cornerstone Property”) and has designated the Gainesville Community Redevelopment Agency (“CRA”) as its lead agent for the redevelopment of Cornerstone; and

WHEREAS, CRA has prepared a conceptual site plan for the Cornerstone Property, which site plan is attached and made a part hereof as **Exhibit A**; and

WHEREAS, as part of the Eastside Redevelopment Plan, CRA plans to construct infrastructure to facilitate redevelopment within the Cornerstone Property, including the sale or leasing of individual building pads depicted in **Exhibit A**; and

WHEREAS, Lessee had previously responded to a Request for Proposal expressing interest in developing a portion of the Cornerstone Property and has now agreed and construct buildings (the “Project”) on building pads C and D depicted on **Exhibit A**; and

WHEREAS, the Parties desire to enter into this Agreement to describe each party’s responsibilities in the matters described herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions herein contained, it is agreed by the parties as follows:

1. Basic Lease Information and Defined Terms. The key business terms and key defined terms, in addition to those defined throughout the Agreement, are as follows:

A. Lessor. The City of Gainesville, a Florida municipal corporation, acting in its proprietary capacity.

B. CRA. The Gainesville Community Redevelopment Agency acting as the redevelopment agent for the Cornerstone Property. CRA is party to this Agreement as it will cause to be constructed certain infrastructure improvements that are required for the further development of the Cornerstone Property.

C. Lessee – Concept Companies, Inc. a Florida corporation located in Gainesville, Florida.

D. Cornerstone Property – 13.6 acres of land located in the 2100 to 2200 blocks of SE Hawthorne Road, as more particularly described in **Exhibit B** to this Agreement.

E. Lease Term – Fifteen years, as extended or sooner terminated under the terms of this Agreement (see the Term article of this Agreement.)

F. Leased Premises – the commercial building pad sites identified in Exhibit A as Buildings C and D and as are more particularly described in **Exhibit C**

G. Base Rent –the rental amount for the Leased Premises as set forth in **Exhibit D**. Base Rent does not include applicable sales taxes, ad valorem taxes, additional rent, operating costs, or common area maintenance charges.

H. Cornerstone Conceptual Plan – The conceptual plan prepared by CRA to begin the development of the Cornerstone Property. The Cornerstone Conceptual Plan is attached to this Agreement as **Exhibit A**.

I. Infrastructure Improvements – Generally includes stormwater improvements, relocating utilities, redesigning and constructing parking and driving lanes, all landscape and plantings, and preparing the building pads for construction, as more specifically described in the construction plans in **Exhibit F**, attached hereto and made a part hereof by reference.

J. Project or Improvements. Lessee’s construction of buildings C and D on the Leased Premises, including all improvements, such as utilities, necessary and required for Lessee and its Sub lessee’s uses.

K. Landlord’s Notice Address. City of Gainesville, Attention: City Manager, P.O Box 490, MS 6, Gainesville, FL 32627

L. Tenant’s Notice Address. Brian S. Crawford, President, 3917 NW 97th Blvd, Gainesville, FL. 32606

M. Commencement Date or Effective Date. September 1, 2016

N. Commercial Market Rate. The current market rate for Alachua County, Florida for the type of structure and use for which the building is designed.

O. CRA Plan Review Board. A board composed of CRA staff members and may include outside professionals and dedicated to the purpose of reviewing the construction and architectural plans of the Project.

2. Purpose.

A. Cornerstone. City and CRA intend the Cornerstone Property be developed to maximize job creation, office space, and retail space within the Eastside Redevelopment Area. As such, the City and CRA intend that buildings be constructed upon the Leased Premises and occupied.

B. This Agreement. City and the CRA intend this project within the Cornerstone to precipitate development within Cornerstone and East Gainesville. Accordingly, the Parties agree that a portion of the consideration given by Lessee to Lessor for the Leased Premises is Lessee’s agreement to construct the Project in a timely manner and to sub-lease or otherwise cause the Project to be occupied. Failure to construct the Project within the time specified or to

sub-lease the Project shall be deemed a default of this Agreement and Lessor shall have such remedies as described in **Paragraph 23** below, as well as all remedies in law and equity.

3. Lease Term. Lessor hereby leases to Lessee the Leased Premises for the Lease Term of fifteen (15) consecutive years commencing on the Commencement Date and terminating August 31, 2031, unless earlier terminated (the "First Lease Term"). Lessee may renew this Agreement for an additional ten year term, upon the same terms and conditions as included herein. Upon conclusion of the additional ten year term, Lessee may renew this Agreement, upon the same terms and conditions as included herein for two additional fifteen year terms.

4. Use of the Leased Premises.

A. Lessee shall construct two buildings. On Building Pad C, Lessee shall construct a 9000 square foot one-story building. On Building Pad D, Lessee shall construct a 15,000 square foot two-story building. Each building shall be fully constructed and issued a certificate of occupancy. Lessee shall obtain CRA Plan Review Board's approval of its construction plans prior to commencement of construction.

B. Lessee shall diligently seek to sub-lease the buildings to full occupancy. Lessee is obligated to maintain occupancy of the buildings during the Lease Term.

C. Lessor and Lessee acknowledge that Cornerstone and the Leased Premises will be developed as part of an integrated development, including the GTEC building and future building sites. Lessee shall not interfere with the public and other tenants' use and access to the Cornerstone property. Lessee shall not make, suffer, cause nor allow use or occupancy of, any unlawful (including, but not limited to, violation of any zoning, land use or other municipal code or ordinance) or offensive use of the Leased Premises. The use of the Leased Premises, as well as all persons entering thereon or therein, whether as an employee, agent, guest, or invitee of Lessee, shall be subject to all applicable laws, statutes, ordinances, orders, rules and regulations of Federal, State, county and municipal authorities, and of any departments or divisions thereof, and of the applicable regulations of Lessor.

D. Unacceptable Uses. Lessee shall not use, or allow its sub-lessees or other occupants to use, the Leased Premises to:

(1) sell narcotics, steroids, controlled substances, cigarettes, drug paraphernalia, or other products that present a risk to consumer safety as determined by applicable law and consumer safety regulations;

(2) promote or display the promotion of hate, violence, or intolerance of persons or groups of persons;

(3) sell sexually oriented materials or services;

(4) sell ammunition, firearms, or certain firearm parts or accessories;

(5) sell weapons or knives regulated under Florida law;

- (6) operate a tattoo parlor; OR
- (7) operate an alcoholic beverage establishment.

5. Rent.

A. Base Rent. Lessee shall pay Rent to Lessor in lawful United States currency. All Base Rent shall be payable annually, in advance, beginning on the Commencement Date and continuing on the anniversary of the Commencement Date each year thereafter during the Lease Term. Unless otherwise expressly provided, all monetary obligations of Lessee to Lessor under this Agreement, of any type or nature, other than Base Rent, shall be denominated as additional rent. Except as otherwise provided, all additional rent payments are due 10 days after delivery of an invoice. Lessor shall have the same rights and remedies for defaults in the payment of additional rent as provided in this Agreement for defaults in the payment of Base Rent. Lessee shall pay monthly to Lessor any sales, use, or other tax (excluding state and federal income tax) now or hereafter imposed on any Rent due under this Agreement. The term "Rent" when used in this Agreement includes Base Rent and all forms of additional rent. All Rent shall be paid to Lessor without demand, setoff, or deduction whatsoever, except as specifically provided in this Agreement, at Lessor's Notice Address, or at such other place as Lessor designates in writing to Lessee. Lessee's obligations to pay Rent are covenants independent of the Lessor's obligations under this lease.

B. Rent Forgiveness. For years 6-15 of the first Lease Term, if Lessee, after demonstrating commercially reasonable efforts, has not rented all or any portion of Building C or Building D for any one year, Lessee shall not pay Base Rent pro-rated for the portion of the unrented space for that year. Lessee shall pay all operating expenses, taxes, and maintenance charges for that year. Lessor will forgive Lessee's obligation to pay Base Rent for a maximum of three years. This provision shall not apply to any additional Lease Terms.

C. Net Lease. The Rent shall be absolutely net to Lessor, free of any expense, charge or other deduction whatsoever with regard to the Leased Premises or the ownership, leasing, operation, management, maintenance, repair, replacement, use, or occupation of the Leased Premises, or any portion of the Leased Premises (including any and all fees and charges payable to any association or the Lessor established in connection with the Premises, such as Common Area Maintenance charges), except as specifically provided in this Agreement. Lessor shall not be required to furnish any service or facility whatsoever to the Leased Premises, or make any payment of any kind whatsoever or be obligated or liable under this Agreement, except as otherwise specifically set forth in this Agreement. Lessee hereby assumes the full and sole responsibility for the condition, operation, repair, alteration, improvement, replacement, maintenance and management of the leased Premises and any portion of them, except as otherwise specifically provided for in this Agreement. Lessor shall not be responsible for any loss or damage to any property of Lessee or any subtenant, franchisee, concessionaire, or other user or occupant of all or any portion of the Leased Premises.

D. Late Payment. If Lessee makes the annual rental payment on or after August 15 of any year, Lessor shall assess a late fee of 5% of the Base Rent due for that year. The late fee

is intended to compensate Lessor for administrative expenses associated with responding to late payment, and shall not be considered liquidated damages or interest. Non-payment or delay in payment of Base Rent beyond thirty (30) days from the due date will be deemed a default of this Agreement and shall be grounds for termination of this Agreement. The Base Rent shall be made payable to City of Gainesville and shall be delivered on or before September 1 of each year during the term and any extension of this Agreement.

6. Operating Costs

A. General. This is a total net Lease to Lessor and Lessor has no obligation or responsibility with regard to the Ad Valorem Taxes, repair and maintenance of the Leased Premises, or any costs therefor. Lessee shall be solely responsible for all Ad Valorem Taxes on the Leased Premises, and maintenance, repairs, and replacements relating to the Premises, including all amounts due under easements, restrictive covenants or other recorded agreements affecting the Leased Premises, including assessments payable to Lessor or to property owners' associations for the maintenance of the commons areas.

B. Taxes on the Leased Premises. In the event there are any applicable Federal, State, County or local sales, use or other taxes or assessments, whether ad valorem or non ad valorem, associated with the Leased Premises or the Improvements placed thereon by Lessee during the Lease Term ("Taxes"), Lessee shall promptly remit payment of the Taxes directly to the taxing authority. It is agreed that Lessee shall assume and be responsible for the payment of such Taxes, if any, for the year in which this Lease is executed, and thereafter, during the Lease Term. Payment of said Taxes shall be in addition to the Base Rent provided for in this Lease.

7. Common Areas. The "Common Areas" of Cornerstone include such areas and facilities as walkways, landscaped and planted areas, stormwater retention, and parking facilities, and are those areas designated by Lessor for the general use in common of occupants of Cornerstone, including Lessee and its sub-lessees. The Common Areas shall at all times be subject to the exclusive control and management of Lessor. Lessor may grant third parties specific rights concerning portions of the Common Areas. Landlord may increase, reduce, improve, or otherwise alter the Common Areas, otherwise make improvements, alterations, or additions to Cornerstone, and change the name or number by which Cornerstone is known. Lessor may also temporarily close the Common Areas to make repairs or improvements. In addition, Lessor may temporarily close Cornerstone and preclude access to the Leased Premises in the event of casualty, governmental requirements, the threat of an emergency such as a hurricane or other act of nature, for pest extermination, or if Lessor otherwise reasonably deems it necessary in order to prevent damage or injury to persons or property. Lessor reserves the right, from time to time, to utilize portions of the Common Areas for entertainment, carnival type shows, rides, outdoor shows, displays, automobile and other product shows, the leasing of kiosks, or other uses that, in Lessor's judgment tend to attract the public. Furthermore, Lessor reserves the right to utilize the lighting standards and other areas of the parking areas for advertising purposes and holiday decorations. This Agreement does not create nor will Lessee have any express or implied easement for, or other rights to, air, light, or view over, from, or about Cornerstone.

All areas outside of the exterior of buildings on Cornerstone and all areas used by Lessee in common with other users of Cornerstone (collectively the "Common Areas") shall be maintained by the City. Lessee shall pay to City a common area maintenance charge (the "CAM Charge") for the maintenance performed by the City as follows:

A. Within 30 days after the Effective Date and thereafter prior to October 1 of each year during the term of this Agreement, City shall prepare a budget for CAM Charges for Cornerstone. CAM charges shall include all of City's costs and expenses of operating and maintaining the Common Areas which shall be deemed to include, without limitation, landscaping and grounds maintenance, fencing repair, backflow preventer maintenance, back-up generator maintenance, outdoor lighting, resurfacing, painting, repairs (excluding structural repairs to the Leased Premises), and City's costs for administering the same.

B. Each month the City shall invoice the Lessee for its proportional share of CAM Charges to City based upon the budget, which shall be due and payable by the Lessee within 30 days of receipt of the invoice. Lessee's proportional share shall be determined by multiplying the total of such costs by a fraction, the numerator of which shall be the gross square footage of the Leased Premises and the denominator of which shall be the gross square footage of Cornerstone.

C. On or before December 31 of each year during the term of this Agreement, the City shall furnish to Lessee a statement showing in reasonable detail the total amount of actual CAM costs for the preceding year and reconciling such actual costs with the Lessee's monthly payments for the year. If the costs are higher than the monthly payments already made, Lessee shall reimburse City such additional costs in a lump sum with the next regular monthly CAM payment. If the costs are lower than the monthly payments already made, Lessee shall be entitled to a setoff of such costs against the next regular monthly CAM payment (or as many payments as are necessary to absorb the setoff to which Lessee is entitled).

8. Permits And Licenses.

The City, in its proprietary capacity, shall cooperate with Lessee, CRA, and any successor-in-interest in securing all necessary licenses, permits, and governmental authorizations contemplated by this Lease and necessary to the construction and completion of this Project, including the Building Permit, platting, or other land development approvals. The City's obligations under this **Paragraph 8** shall not affect the City's right to act in regulatory matters in accordance with applicable laws or ordinances, and is expressly not a waiver of the City's lawful exercise of its police powers. Nothing herein shall be construed or deemed to contractually or otherwise obligate the City to approve any application or petition for development approval filed by or on behalf of Lessee, or any successor-in-interest; however, in the event of a failure or refusal of the City to grant any development approval necessary to develop and operate the Project, Lessee may terminate this Lease by providing the City and CRA with Notice at least thirty (30) days in advance of the date of termination. Neither City nor CRA will be liable to Lessee for monetary damages as a result of the Lessee's failure or inability to obtain any development approval or building permit or as a result of termination of this Lease.

9. Development of Cornerstone and Project.

A. Infrastructure Improvements. CRA shall construct the Infrastructure Improvements in a timely manner to enable Lessee to obtain certificates of occupancy and zoning compliance certificates in the timeframe specified in **Paragraph 9.E.** below.

B. Plan Approval. Prior to commencement of construction, Lessee shall submit its plans to CRA for design approval for consistency with the Cornerstone Property development plans. CRA Plan Review Board shall review and approve or deny the plans within 15 days of receipt. In the event the plans are denied, Lessee may re-submit the plans for approval. CRA shall review and approve or deny within seven (7) days of receipt. Once the plans are approved ("Approved Plans"), Lessee must construct in accordance with the Approved Plans.

C. Project Construction. Lessee shall construct the project in the time specified in this Agreement. Lessor hereby grants to Lessee the rights to construct, and equip the project and all improvements, such as utilities, necessary and required for Lessee and its Sub lessee's use, (collectively, the "Improvements"), but in any event Improvements shall exclude Lessee's trade fixtures, furniture, movable equipment, and other personal property not attached to the Leased Premises. Lessee shall, at its sole expense, obtain all permits and approvals required by the City, and any other applicable regulatory agency, to construct and operate the Improvements on the Leased Premises. During the Lease Term, Lessee is the owner of the Improvements within the Leased Premises. Lessee shall cause the Improvements and any subsequent improvements or alterations to the Leased Premises to be constructed in accordance with applicable laws.

D. Design and Construction Coordination. The Parties agree that a coordinated design and construction approach is the preferred method of delivering Cornerstone and the Project. To the greatest extent possible, the Parties shall communicate development plans to each other and coordinate on decisions regarding all matters of design, materials and construction. Notwithstanding the cooperative efforts of the Parties referenced herein, Cornerstone and the Project are separate projects of the respective Parties and are not joint ventures of the Parties.

E. Project Completion. The Parties intend that Project construction will be completed (as evidenced by issuance of a certificate of occupancy for both Building C and Building D) by December 31, 2017. Failure to meet the construction deadline shall be a default under this Lease.

F. Additional Improvements. Upon completion of the Project, Lessee may make such alterations, improvements, and changes to any Improvements that may from time to time be on the Leased Premises as Lessee may deem necessary, provided Lessee first obtains Lessor's prior written approval, not to be unreasonably withheld, delayed, or conditioned, of architectural designs and plans for any material exterior alterations, improvements or changes to the Project . Once constructed, such alterations, improvements, and changes shall be considered part of the Improvements. Lessor shall use its best efforts to promptly review such plans, and shall respond within a reasonable time, which shall be in thirty (30) days or less, unless otherwise agreed to by the Parties in writing. In the event of damage to or destruction of the Leased Premises, Lessee may rebuild or replace the Improvements as they existed before the damage or destruction, without Lessor's approval, in accordance with existing law.

G. Licensed Contractors. Lessee shall retain a Florida licensed and qualified contractor(s) (the "Contractor") to construct the Project on the Leased Premises in a safe and professional manner and pursuant to, and in accordance with, the Approved Plans, and in accordance with all applicable laws, codes, statutes, ordinances, rules and regulations, including, but not limited to, the Gainesville Code of Ordinances, Florida Building Code and Americans With Disabilities Act.

H. Prompt Payment. Lessee shall promptly pay for all labor and materials used in constructing any Improvements on the Leased Premises and shall do all things necessary to prevent the filing of any mechanics', materialman, or other type of lien or claim against Lessor or the Leased Premises by, against, through, or under Lessee or its contractors. For each portion of the Improvements to the Leased Premises, Lessee shall obtain a statutory Payment and Performance Bond. Lessee shall notify its contractors that Lessor's interest shall not be subject to any liens or claims for the Improvements to the Leased Premises by Lessee. If any such lien or claim is filed, Lessee shall cause the same to be discharged within thirty (30) calendar days after Lessee's receipt of notice of the filing of the lien. For purposes of this paragraph, "discharged" shall include bonding off such lien in accordance with Florida law.

I. Payment and Performance Bonds. Lessee shall require any contractor performing any work hereunder to obtain public construction bonds in face amounts of 100% of the value of the work in accordance with section 255.05, Florida Statutes. The Statutory Payment and Performance Bonds shall inure to the benefit of the Lessor and Leasehold Mortgagee.

J. Subdivision of the Cornerstone Property. CRA shall file with the City's appropriate regulatory bodies, applications for the subdivision of the Cornerstone Property for the purpose of creating each building pad site as a legal lot that may be sold or conveyed.

10. Assignment or Subletting.

A. General. Lessee may, without the consent of Lessor, but subject to this article, assign, transfer, or sublease (in whole or in part) this Lease or its rights under this Lease (in whole or in part). Lessee shall give Lessor written notice of any such assignment, transfer, or sublease, together with the identity of the assignee, transferee, or sub lessee, on or before the effective date of the transfer. Lessee's right to assign, transfer, or sublease in accordance with this article shall be continuing right and shall not be exhausted by a single exercise. Upon any such assignment, transfer or sublease, Lessee shall not be relieved of its obligations under this Agreement and shall remain primarily liable under this Agreement. Any such assignment, transfer, or sublease shall be subject to all of the terms of this Lease, including the use restrictions.

B. Continuing Liability. Lessee shall remain liable to Lessor for the construction of the Project and for the prompt and continued payment of all Rent payable under this Lease following the transfer. The joint and several liability of Lessee and any immediate and remote successor in interest of Lessee (by assignment or otherwise), and the due performance of the obligations of this Agreement on Lessee's part to be performed or observed, shall not in any way be discharged, released, or impaired by any agreement that modifies any of the rights or

obligations of the parties under this Agreement or any waiver of, or failure to enforce, any obligation in this Agreement.

C. Lessor Transfer. Lessor may assign or encumber its interest under this Lease. If any portion of the Leased Premises or the Cornerstone Property is sold, transferred, or leased by the Lessor, Lessor shall be relieved of all existing and future obligations and liabilities under this Agreement, provided that the Purchaser or transferee assumes in writing those obligations and liabilities, including the liabilities of the CRA.

11. Insurance

A. Contractor Insurance. Lessee shall require any Contractor (including Lessee if it acts as Contractor) performing work at Cornerstone to provide the following types and amounts of insurance with an insurer rated A- or better by A.M. Best:

- i. Commercial General Liability Insurance: coverage in the minimum amount of Two Million Dollars (\$2,000,000) for bodily injury (or death) of, and One Million Dollars (\$1,000,000) property damage, with an excess umbrella policy in a minimum coverage amount of Ten Million Dollars (\$10,000,000).
- ii. Full and complete Workers' Compensation Insurance Coverage as required by State of Florida law.
- iii. Automobile Liability Insurance Coverage: in the minimum amount of One Million Dollars (\$1,000,000) per occurrence for BI/PD, including hired/non-owned vehicles regardless of number of passengers transported.
- iv. All Risk Builders Risk Insurance: During the undertaking of the Project and any subsequent repair work, Lessee or the Contractor, shall provide or cause to be provided All Risk Builders Risk Insurance, at replacement cost, for materials, supplies, equipment, machinery and fixture that are or will be part of the museum. Coverage shall include but not be limited to the following: right to partial occupancy, material stored off-site and in-transit, boiler and machinery, earth movement, flood, including surface water backup, sewer backup and seepage, collapse, water damage, debris removal, faulty workmanship or materials, testing, and mechanical electrical breakdown.
- v. Contractors Pollution Liability Insurance: When any work related to the Project is undertaken which may cause an environmental exposure, Lessee shall provide or cause to be provided Contractors Pollution Liability Insurance with limits of not less than \$1,000,000 insuring bodily injury, property damage, and environmental clean-up costs.

The City, its elected and appointed officers, employees and agents, including the CRA and its employees, shall be named as additional insureds on all insurance policies required hereunder. Lessee shall provide, or cause the Contractor to provide, the City with a certificate of insurance evidencing the required coverage prior to the issuance of a building permit for the Project, and

shall furnish to the City evidence of renewals of each such policy no less than thirty (30) days prior to the expiration of the applicable policy.

B. Tenant Insurance. During the Lease Term and any extension thereto, Lessee shall maintain the following types and amounts of insurance with an insurer rated A- or better by A.M. Best. Lessee shall purchase and maintain in full force and effect throughout the Lease Term the following coverages for the Leased Premises (the following is hereinafter referred to as "Lessee's Insurance"):

Commercial General liability insurance, including personal injury and property damage, with a combined single limit of \$1,000,000.00. Additionally, Lessee shall maintain an all risk property insurance policy that protects against loss by fire, lightning, windstorm, flood, sinkhole, vandalism, malicious mischief and other hazards customarily insured by extended coverage, all risk (now known as causes of loss-special form) coverage on the Improvements for their full replacement value, which shall be adjusted from time to time to reflect current replacement value.

All such insurance must be obtained through an insurance company authorized to do business in the State of Florida with an A.M. Best Rating of no less than A and certificates of such insurance shall be filed with Lessor prior to commencement of Lessee's construction. Lessor shall be named as additional insured with respect to such insurance and shall be given no less than thirty (30) days written notice of any amendment or cancellation thereof. Upon Lessor's written request, Lessee agrees to review the coverage limits of its liability insurance and increase the same to the extent necessary to adequately cover the operations on the Leased Premises, as determined by Lessee in its reasonable discretion; provided in no event shall Lessor require that Lessee review such limits more than once every two (2) years. Lessee hereby waives all rights to recover against Lessor for any loss or damage to the Leased Premises arising from any cause that would be covered by any insurance required or actually carried by Lessee under this Lease. Lessee will cause its insurers to issue appropriate waiver of subrogation rights endorsements, and shall supply Lessor with appropriate information from its insurers confirming such waiver to be in effect.

C. Loss Adjustment. The loss under policies insuring against damage to the Leased Premises by fire or other casualty shall be adjusted and collected by Lessee if the cost to repair such damage (as reasonably estimated by Landlord or its architect or engineer) shall be less than \$50,000 and, in that event, Lessee shall also have the right to carry on all negotiations (keeping Lessee reasonably informed with regard to the status and content of the negotiations) for the settlement of such claims and Lessor shall reasonably cooperate with Lessee (at no cost to Lessor) in connection therewith. If the cost of Restoration (as reasonably estimated by Lessor or its architect or engineer) shall be equal to or in excess of \$50,000, the loss shall be adjusted with the insurance companies by Lessor and Lessee (and the holder of any mortgage encumbering the interest of Lessee) and the proceeds of any such insurance as so adjusted shall be payable to the Depository acting under this Agreement.

D. Waiver of Subrogation. Each Lessee and sub-lessee, expressly, knowingly, and voluntarily waives and releases any claims that it may have against Lessor and Lessor's

employees, agents, or contractors for loss or damage to the buildings, alterations and all of its other real and personal property, and loss of business (specifically including business interruption) as a result of the acts or omissions of Lessor or Lessor's employees, agents, or contractors (specifically including the negligence of Landlord or its employees, agents, or contractors and the intentional misconduct of the employees, agents or contractors of Landlord), to the extent any such claims are covered by the workers' compensation, employer's liability, property, business income, or extra expense insurance described in this Agreement (whether or not actually carried by Lessor), or other property insurance that Lessee may carry at the time of an occurrence. Lessee shall, on or before the earlier of the Commencement Date or the date on which Lessee first enters the Leased Premises for any purpose, obtain and keep in full force and effect at all times thereafter a waiver of subrogation from its insurer concerning the worker's compensation, employer's liability, property, rental income, and business interruption insurance maintained by it for the Leased Premises and the property located in the Leased Premises. This Paragraph shall control over any other provisions of this Agreement in conflict with it and shall survive the expiration or sooner termination of this Agreement.

12. Repair and Maintenance.

A. Lessee shall maintain the Leased Premises and its Improvements at all times in the condition required by this Lease. Lessee shall be responsible for all maintenance and repairs to the Leased Premises and Improvements in accordance with the City of Gainesville Code ("City Code").

B. Lessee shall maintain any future sidewalks, which may be constructed by Lessee on the Leased Premises.

C. Lessee shall not permit the creation or maintenance of any nuisance or any unsafe or hazardous or dangerous conditions (individually, a "Nuisance Condition") on the Leased Premises. If Lessor becomes aware of any Nuisance Condition, Lessor shall provide Lessee written notice of any such Nuisance Condition as provided herein, and if Lessee fails to take appropriate action to remove such Nuisance Condition within ten (10) business days of such notice, Lessor may remove the Nuisance Condition and charge the cost thereof to Lessee, which cost shall be paid promptly upon demand by Lessor, or Lessor may declare a default of this Lease after providing the applicable notice and grace periods in accordance with this Lease. Lessee shall, at its own cost, and without any expense to Lessor, keep maintain, repair and replace all Improvements on the Leased Premises, which are installed by Lessee, and all appurtenances thereto, in good, sanitary and neat order, condition and repair, and except as specifically provided herein, Lessee shall restore and repair any Improvements of any kind, that were installed by Lessee, that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Lessor shall not be obligated to provide any maintenance or make any repairs, replacements, or renewals of any kind, nature or description whatsoever to the Leased Premises or any Improvements thereon.

13. Utilities. The Parties agree that the Improvements will be separately connected for electric, water and wastewater, cable, internet and all other utility services. Lessee shall pay the

cost of connection and the monthly charges billed by Gainesville Regional Utilities and any other utility provider.

14. Inspection. Lessor shall have the right, at any and all reasonable times, with at least twenty four (24) hours prior notification to Lessee (or in the event of an emergency, upon whatever notice is reasonable under the circumstances), to enter upon the Leased Premises for the purpose of making inspections to determine whether Lessee is complying with the terms of this Lease and for any other reasonable purpose Lessor deems appropriate.

15. Expiration or Termination; Improvements. The following obligations survive the termination of this Lease:

A. Prior to completion of construction of the Project, if Lessor terminates the Lease as a result of Lessee's unremedied default, then the Lessee shall return the Leased Premises to the condition it was in prior to Lessee taking possession of the Leased Premises.

B. Upon expiration of the Lease or in the event Lessee or Lessor terminates the Lease after construction of the Project, then the Improvements shall become, without payment of consideration, the property of Lessor and Lessee shall have no further obligation to Lessor except as otherwise provided in this Lease.

C. Upon termination of this Lease prior to the expiration of the Lease Term or upon expiration of the Lease Term, Lessee must vacate the Leased Premises and may remove all trade fixtures, furniture, movable equipment and other personal property not attached to the Leased Premises. Anything not removed on or before the date the Lessee vacates the Leased Premises will become the property of Lessor. Upon vacating the Leased Premises pursuant to termination of this Lease prior to the expiration of the Lease Term, Lessee agrees to deliver to Lessor all keys to the Leased Premises and to surrender the Leased Premises on the date of such termination (or within a reasonable time thereafter) and in good order and condition, excepting reasonable wear and tear, and return to the Lessor all tangible personal property supplied by Lessor to Lessee (if any).

16. Destruction of Improvements. Except as specifically set forth in this Paragraph 16 or any subparagraph hereof, this Lease shall not terminate or be forfeited or be affected in any manner by reason of damage to or total, substantial or partial destruction of, the Leased Premises or the Improvements, or by reason of the untenability of the Leased Premises, Improvements or any part of the Leased Premises or Improvements, for or due to any reason or cause whatsoever, and Lessee, notwithstanding any law or statute, present or future, waives any and all rights related thereto to quit or surrender the Leased Premises, Improvements, or any part of the Leased Premises or Improvements, except as expressly set forth in Paragraph 16.G below. Lessee expressly agrees that its financial obligations under this Lease, including the payment of any and all Rent, shall continue as though the Leased Premises or Improvements had not been damaged or destroyed and without abatement, suspension, diminution, or reduction of any kind.

A. Restoration. If the Leased Premises or Improvements shall be destroyed or damaged in whole or in part by fire or other casualty of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, Lessee shall give to Lessor immediate notice thereof.

For any insured casualty (or casualty for which Lessee is required to carry insurance pursuant to the terms of this Lease), Lessee shall promptly cause the Leased Premises or the Improvements to be altered, restored, replaced, and rebuilt to substantially the condition in which it existed immediately prior to the damage (and as may also be required by governmental authorities), free of construction or mechanic's liens, in compliance with applicable laws, rules, and regulations, in accordance with the other applicable provisions of this Lease (collectively, the "Restoration") and in accordance with the applicable provision below:

i. Minor Damage. If the cost of Restoration is less than \$250,000.00, as reasonably estimated by Lessor or its architect or engineer, as adjusted pursuant to Paragraph 16.H. (the "Restoration Threshold"), then Lessee shall effect such Restoration of the Leased Premises or Improvements with reasonable diligence. In such event, Lessee shall diligently pursue commencement of the Restoration and shall use good faith diligent efforts to complete the Restoration within 180 days after the date of casualty, subject to Force Majeure. Lessee shall also furnish to Lessor, for information only, the materials referred to in **Paragraphs 16.E.** and **16.F.** Notwithstanding anything herein to the contrary, Lessee shall not be obligated to commence the Restoration until receipt of proceeds from Lessee's Insurance by Lessee or the Depository (as hereinafter defined).

ii. Major Damage. If the cost of Restoration (as reasonably estimated by Lessor or its architect or engineer) is equal to or in excess of the Restoration Threshold, then Lessee shall effect such Restoration of the Leased Premises or Improvements with reasonable diligence. In such event: (i) Lessor shall have the right to reasonably approve the plans and specifications for the Restoration of the Leased Premises or Improvements; (ii) Lessor shall have the right to reasonably approve the general contractor for the Restoration; (iii) the construction contract with the general contractor for the Restoration shall be in form and content reasonably acceptable to Lessor, and permit Lessor, at its option upon the occurrence of a default by Lessee under this Lease, to take over Lessee's rights under the construction contract and effect the Restoration described therein; and (iv) Lessee shall diligently pursue commencement of the Restoration and use good faith diligent efforts to complete the Restoration within one year after the date of casualty, subject to Force Majeure. Lessee shall promptly notify Lessor of any Force Majeure event that Lessee, pursuant to the foregoing sentence, seeks to utilize to extend the time period for completion of Restoration. Notwithstanding anything herein to the contrary, Lessee shall not be obligated to commence the Restoration until receipt of proceeds from Lessee's Insurance by Lessee or the Depository.

B. Requirements. Except for Lessor's agreement to make insurance proceeds that it receives pursuant to this Lease available for Restoration, Lessor shall in no event be called upon to effect the Restoration of the Leased Premises or Improvements or any portion thereof or to pay any of the costs or expenses of such Restoration. All work by Lessee shall be done in accordance with the applicable provisions of this Lease.

C. Depository. From and after the time that there shall be any insured damage to the Leased Premises or Improvements having a Restoration cost equal to or greater than the Restoration Threshold, a Depository shall act as trustee under this Lease. A "Depository" shall mean, in the first instance, the Leasehold Mortgagee first in priority (a certificate of a national

title company, addressed to and which provides that it may be relied upon by the parties, shall be deemed sufficient evidence of such priority upon which the parties, without any further obligation or inquiry, shall be entitled to rely), if any. The Leasehold Mortgagee may designate an institutional mortgagee to act as Depository in its place, provided such designee shall agree in writing satisfactory to Lessor and Lessee, to comply with the terms of this Lease in the application of any monies delivered to it. If there is no such Leasehold Mortgagee in existence at the time in question, or if no such Leasehold Mortgagee or its qualified designee shall be willing or able to act in such capacity, the Depository shall be Lessor or, at Lessor's option, a national title insurer designated by Lessor. If the Depository is someone other than Lessor, Lessor and Lessee shall enter into an agreement with the Depository appropriately covering assumption of the duties of the Depository under this Lease and containing such provisions as may be reasonably required by the Depository, provided that Lessor shall not be required thereby to assume or incur any obligations or liabilities other than as provided in this Lease. The fees and charges of every Depository acting under this Lease shall be borne solely by Lessee and shall be paid periodically and in such manner as may be required by such Depository.

D. Insurance Proceeds. Provided that insurance proceeds from Lessee's Insurance (together with any funds deposited by Lessee with the Depository) are sufficient to pay all costs of the Restoration, all insurance money from Lessee's Insurance paid on account of such damage or destruction to the Depository (and Lessee funds deposited with Depository), less the reasonable cost, if any, incurred in connection with adjustment of the loss and the collection of the loss, shall be applied by the Depository to the payment of the costs of the Restoration and shall, subject to compliance with and satisfaction of the conditions set forth in the other provisions of this Paragraph 16, be paid out to Lessee (or, at the direction of Lessee, to contractors, subcontractors, and material suppliers) from time to time as such Restoration progresses in installments equal to 100% of the cost of the work completed and materials and labor furnished, less the sum of all prior installments, and shall be received by Lessee for the purposes of paying the costs of such Restoration. Any insurance proceeds held by the Depository after completion of (including, without limitation, issuance of certificates of completion or occupancy by applicable governmental authorities) and payment for such Restoration by Lessee shall, provided that there then exists no default by Lessee under this Lease, be paid over to Lessee, subject to the right of any Leasehold Mortgagee to require the application of such insurance proceeds to the indebtedness under its Leasehold Mortgage.

E. Condition on Payments. The following shall be conditions precedent to each payment made to Lessee for any Restoration work:

i. A sworn certificate (AIA form G702 or its equivalent) shall be submitted to the Depository (with a copy to Lessor), which certificate shall be signed by Lessee and Lessee's licensed architect or engineer in charge of such construction, setting forth that the sum then requested to be withdrawn either has been paid by Lessee or is justly due to contractors, subcontractors, materialmen, engineers, architects, or other persons (whose names and addresses shall be stated) who have rendered or furnished certain services or materials for the work, and giving a brief description of such services and materials and the principal subdivisions or categories of it and the several amounts so paid or due to each of such persons with regard

to such Restoration work, and stating the progress of the Restoration work up to the date of the certificate; that no part of such expenditures has been or is being made the basis, in any previous or then-pending request, for the withdrawal of insurance money or has been made out of the proceeds of insurance received by Lessee from Lessee's Insurance and that the sum then requested does not exceed the value of the services and materials described in the certificate; and

ii. All materialmen, subcontractors, and suppliers have provided an appropriate waiver. Alternatively, an official search, certificate of a title company, or other evidence reasonably satisfactory to Lessor, shall be furnished to the Depository showing that there has not been filed against Lessor's or Lessee's interest in the Leased Premises or Improvements, any vendor's, mechanic's, construction, statutory, or other similar lien affecting the Leased Premises or Improvements that has not been discharged of record, except such unrecorded lien rights as will be discharged upon payment of the amount when requested to be withdrawn; and

iii. At the time of making such payment, there is no existing default under this Lease on the part of Lessee.

F. In the event of any loss, damage, or destruction, the cost of Restoration of which equals or exceeds the Restoration Threshold, Lessee agrees to furnish to Lessor, for its reasonable approval, promptly after the same are prepared, conceptual design and final plans and specifications for the anticipated Restoration work. At least 30 days before the commencement of any Restoration work (exclusive of temporary emergency repairs necessary to preserve the Restoration), Lessee shall furnish to Lessor and Leasehold Mortgagee (if any) the following:

i. A copy of the final plans and specifications, and all amendments thereto, for the Restoration of the Leased Premises or Improvements in sufficient detail to enable Lessee to obtain a building permit, prepared by a licensed Florida architect or engineer whose qualifications shall meet with the reasonable satisfaction of Lessor, together with evidence of the approval thereof (if required) by all governmental boards, bureaus, or bodies then exercising jurisdiction with regard to such work (which plans and specifications shall be and become the sole and absolute property of Lessor in the event that for any reason, this Lease shall be terminated).

ii. A copy of the general construction contract or construction management contract (or major contracts for individual contractors, if no single general contractor or construction manager is employed) in form assignable to Lessor, providing for the completion of all Restoration work necessary to repair and restore the Leased Premises or Improvements in accordance with said plans and specifications and this Lease.

iii. An assignment of the construction contracts so furnished, duly executed and acknowledged by Lessee by its terms to be effective only upon the occurrence of a default by Lessee under this Lease prior to the complete performance of such contract, such assignment to also include the benefits of all payments made on account of the contract, including payments made prior to the effective date of such assignment.

iv. An agreement from Lessee's architect or engineer to perform the work on behalf of Lessor, if Lessor shall elect, after default by Lessee.

v. A statutory payment and performance bond pursuant to Section 255.05, Florida Statutes naming Lessor and Leasehold Mortgagee (if any) as an additional obligee.

vi. An estimate that shall show in reasonable detail, allocated among the various trades, the approximate costs of the Restoration.

Prior to Lessee's commencement of the Restoration work, Lessor shall provide to Leasehold Mortgagee (if any) an estoppel agreement in form and substance satisfactory to Leasehold Mortgagee that the Lease will continue in full force and effect notwithstanding the loss or damage. Subject to any prior rights in favor of an insurance company, Leasehold Mortgagee shall be subrogated to all rights, claims, and causes of action of Lessee against the parties, if any, who are or may be liable for the loss or damage.

G. End of Term; Insufficient Proceeds from Lessee's Insurance. If (i) the proceeds from Lessee's Insurance are not sufficient to cover the cost to complete the Restoration, as determined by Leasehold Mortgagee (if any) and Lessee, in their reasonable discretion, (ii) the Leased Premises or Improvements are damaged or destroyed and Lessee's Insurance declines a claim for such damage or destruction, or (iii) during the last year of the Lease Term, the Leased Premises or Improvements are damaged or destroyed, then, subject to the right of any Leasehold Mortgagee to require the application of such insurance proceeds to the indebtedness under its Leasehold Mortgage, Lessee shall have the option, to be exercised within 90 days after the date the Leased Premises or Improvements are damaged or destroyed, to:

i. Elect to repair or restore as provided above (and provide any additional funds required for such Restoration) or

ii. Apply all of Lessee's right, title and interest in any insurance proceeds to the indebtedness under any Leasehold Mortgage(s) until all such indebtedness (if any) has been paid and satisfied in full, then promptly clear all debris and surrender possession of the Leased Premises to Lessor and assign to Lessor (or, if already received by Lessee, pay to Lessor) all of its right, title, and interest in any remaining proceeds from Lessee's Insurance applicable to the damage to the Improvements, to the extent such proceeds are not allocable to clearing the debris. Upon such assignment or payment to Lessor, this Lease shall terminate and Lessor and Lessee shall be relieved from further obligations under this Lease, except those that survive any such termination. Notwithstanding anything herein to the contrary, so long as any Leasehold Mortgage shall remain in effect, Lessee may not terminate this Lease pursuant to this Paragraph without the prior written consent of Leasehold Mortgagee.

H. Restoration Threshold. To determine the Restoration Threshold, the \$250,000.00 figure reflected in Paragraph 16B shall be adjusted every five years, on each successive five-year anniversary date of the Commencement Date (each, an "Adjustment Date"), in accordance with the percentage increase (or decrease) in the Consumer Price Index, US City Average, All Items, as published by the U.S. Bureau of Labor Statistics (the "Index"), between the month in which the Effective Date occurred and the most recent month for which

such information is available as of the Adjustment Date. In the event the Index levels are reset, such reset shall be taken into account in the above determination. In the event the Index is no longer published, the parties shall adopt an alternative index that is most similar to the Index. At the time of each such adjustment, at the written request of either Lessor or Lessee, the parties agree to confirm in writing the amount of the adjusted figure.

I. Application of Proceeds Absent Restoration. In any case in which insurance proceeds from Lessee's Insurance are not required to be applied to the Restoration, such insurance proceeds shall be paid first to the Leasehold Mortgagee(s) for application to the indebtedness under such Leasehold Mortgage(s) until all such indebtedness has been paid in full, and any remainder shall be applied first to clear all debris, restore the Leased Premises to the condition it was in prior to Lessee commencing construction of the Improvements, and any remaining balance shall be paid to Lessor. Nothing in this paragraph shall be deemed to relieve the Lessee of its obligation to clear all the debris and restore the Leased Premises to the condition it was in prior to construction of the Improvements.

17. Release of Lessor. Lessor is hereby released from any damage or injury to person or property caused by or resulting from acts of nature or force majeure, including but not limited to, steam, electricity, gas, water, rain, wind, ice, snow or any leak or flow from or into any part of the Leased Premises. In addition, Lessor shall not be liable to Lessee for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Leased Premises, the interruption of the use of the Leased Premises, or the termination of this Lease by reason of any damage or destruction of the Leased Premises, except as otherwise stated in this Lease.

18. Condemnation. If a condemning authority takes all of the Leased Premises or a portion to render the Leased Premises, in the reasonable opinion of Lessee, unsuitable for Lessee's use, this Lease shall terminate as of the date the title vests in the condemning authority. Lessee shall be entitled to the portion of any award payable for the value of its Improvements, moving expenses, prepaid rent and business dislocation expenses and Lessor shall be entitled to receive that portion of the award which has been paid on account of the taking of the land considered as unimproved, including lost rent. A sale of all or part of the Leased Premises to a purchaser with the power of eminent domain, in the face of the exercise of eminent domain power, shall be treated as taking by condemnation for the purpose of this Paragraph 18.

19. Lessee's Environmental Covenants and Indemnity.

A. Lessee's Use and Storage of Hazardous Substances.

i. Lessee may not use, dispose of, store or generate Hazardous Substances (as hereinafter defined) on the Leased Premises except ordinary maintenance products unless disclosed to and approved in writing by, in the sole discretion of, the Lessor. Lessor's approval of Lessee's use of the Hazardous Substances shall be limited to the maximum annual quantities listed in the written approval and shall be subject to Lessee's compliance with this Paragraph and Lessee's compliance with all applicable Environmental Laws (as hereinafter defined). Lessor's approval of Lessee's use and storage of the Hazardous Substances

shall not be deemed to constitute a determination of Lessor with respect to the legality or appropriateness of the storage methods or disposal methods detailed therein or otherwise employed by Lessee on the Leased Premises; Lessor has not and will not undertake an independent review of Lessee's storage or disposal methods, and is relying entirely on Lessee's representation that its storage and disposal practices are in full compliance with applicable Environmental Laws. Except as permitted in this subparagraph, and in accordance with applicable Environmental Laws, and as disclosed by Lessee and permitted in writing by Lessor as required herein, the storage, use or disposal of Hazardous Substances on the Leased Premises is hereby prohibited. Prior to taking possession of the Leased Premises, Lessee shall supply Lessor with Material Safety Data Sheets for all Hazardous Substances subject to this subparagraph used, stored or disposed of by Lessee in connection with Lessee's use, occupancy, and possession of the Leased Premises.

ii. Lessee shall obtain and maintain any and all necessary government permits, licenses, certifications and approvals required or appropriate for the use, handling, storage, and off-site disposal of any Hazardous Substances used, stored, generated, transported, handled, blended, or recycled by Lessee on the Leased Premises. Lessor shall have a continuing right, without obligation, to require Lessee to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Substances management plans and programs, any and all Hazardous Substances risk management and pollution prevention programs, and any and all Hazardous Substances emergency response and employee training programs respecting Lessee's use of Hazardous Substances. Upon request of Lessor, Lessee shall deliver to Lessor, a narrative description explaining the nature and scope of Lessee's activities involving Hazardous Substances and showing, to Lessor's reasonable satisfaction, its compliance with all Environmental Laws and the terms of this Lease.

iii. Lessee shall promptly provide Lessor with copies of all correspondence, reports, Notices (as hereinafter defined), orders, findings, declarations and other materials relevant to Lessee's compliance with applicable Environmental Laws as they are issued or received by Lessee.

iv. In the event of Lessee's failure to comply in full with the foregoing provisions, Lessor may, at its sole and absolute discretion, perform any and all of Lessee's obligations in this Paragraph. All reasonable costs and expenses incurred by Lessor in the exercise of this right shall be deemed to be additional rent payable on demand and with interest, at the highest rate authorized by law, until payment is made. Such costs and expenses include but are not limited to state agency fees, engineering fees, investigation and cleanup costs, any penalties assessed by any governmental authority based on Lessee's failure to comply with Environmental Laws, filing fees and suretyship expenses, and associated attorneys' fees and expenses.

B. Environmental Indemnity. Without limiting Lessee's obligations under any other provision of this Lease, Lessee and its successors and assigns shall hereby indemnify, defend, protect, and hold Lessor, its officers, employees, elected officials, agents, lenders, consultants, independent contractors, and any successors to Lessor's interest ("Indemnified Parties") harmless from and against, and shall reimburse the Indemnified Parties for any and all losses, claims, liabilities, damages, costs, expenses, causes of action, judgments, damages, enforcement actions, taxes, remedial actions, the diminution in the value of the Leased Premises, the Project, or any portion thereof, and injuries to persons, property or natural resources, arising out of Lessee's breach of any provision (or representation, warranty, or covenant) contained in this Paragraph 19 or arising from, out of, in connection with, or as a consequence, directly or indirectly, of a Release or presence of any Hazardous Substances on, in, or beneath the Leased Premises which first occurs during the Lease Term as the same may be extended by law or agreement of the parties, as a result of Lessee's use or occupancy whether foreseeable or unforeseeable, and whether or not known to Lessee, it being understood and agreed that the foregoing indemnity includes, but is not limited to, all reasonable costs of removal, remediation of any kind, detoxification, clean up and disposal of such Hazardous Substances and the preparation of any closure or other required plans, all reasonable costs of determining whether the Leased Premises is in compliance and causing the Leased Premises to be in compliance with all applicable Environmental Laws, all reasonable costs and fees associated with claims for damages to persons, property, or natural resources, and Lessor's reasonable attorney's fees and consultant's fees and court costs in respect thereto, whether or not litigation or administrative proceedings shall occur, including all costs and expenses incurred or suffered by Lessor by reason of Lessee's violation of any applicable Environmental Law which first occurs, or has first occurred, upon the Leased Premises during the Lease Term, as the same may be extended by law or agreement of the parties, or by reason of the imposition of fines or penalties, or any governmental lien for the recovery of environmental clean-up costs, expended by reason of such violation, it being expressly understood and agreed that to the extent the Indemnified Parties or any of them are strictly liable under any Environmental Laws for Lessee's actions or omissions, this indemnity shall apply without regard to the strict liability with respect to Lessee's violation of law which results in such liability. Lessee shall comply with all Environmental Laws throughout the Lease Term, as the same may be extended by law or agreement of the parties as it relates to the Lessee's use or occupancy of the Leased Premises. Lessee and Lessor hereby covenant and agree that all obligations under this Paragraph 19 shall survive any termination of the Lease, it being further understood and agreed that the rights of Lessor and Lessee under this Paragraph 19 shall be in addition to any other rights and remedies under this Lease, or otherwise available to the Parties at law or in equity.

C. Definitions.

- i. The term "Environmental Laws" shall mean and include any and all federal, state or local laws (whether under common law, statute, rule, regulation, ordinance or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority relating to or imposing liability or

standards of conduct (including disclosure or notification) concerning the protection of human health or the environment, Hazardous Substances or any activity involving Hazardous Substances, including without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Sections 9601 et seq. ("CERCLA"), as amended; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Sections 6921 et seq.; the Occupational Safety and Health Act of 1970, 29 U.S.C. Sections 651 et seq. ("OSHA"); the Toxic Substances Control Act, 15 U.S.C. Sections 2601 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 136; the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq.; the Federal Solid Waste Disposal Act, 42 U.S.C. Sections 6901 et seq.; the Clean Air Act, 42 U.S.C. Sections 7401 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. Sections 11001 et seq.; Chapters 376 and 403, Florida Statutes; Chapter 62, Florida Administrative Code; and any regulation implementing the above.

- ii. The term "Hazardous Substances" shall have the meaning ascribed to it in CERCLA; provided, however, that the definition of the term "Hazardous Substances" shall also include (if not included within the definition contained in CERCLA) any hazardous or toxic chemical, waste, byproduct, pollutant, contaminant, compound, product or substance, including without limitation, asbestos, polychlorinated biphenyls, petroleum (including crude oil or any fraction or byproduct thereof), hydrocarbons, radon, urea, urea formaldehyde, and any material the exposure to, or manufacture, possession, presence, use, generation, storage, transportation, treatment, release, disposal, abatement, cleanup, removal, remediation or handling of which is prohibited, controlled, limited or regulated in any manner under any Environmental Laws.
- iii. The term "Release" shall have the meaning ascribed to it in CERCLA and shall also include (if not included within the definition contained in CERCLA) any spill, leak, emission, discharge or disposal of Hazardous Substances into the environment.
- iv. The term "Notice" shall mean any summons, citation, directive, order, claim, litigation, investigation, proceeding, judgment, letter or other communication, written or oral, actual or threatened, from FDEP, the United States Environmental Protection Agency ("USEPA"), the United States Occupational Safety and Health Administration ("OSHA") or other federal, state or local agency or authority, or any other entity or any individual, concerning any act or omission resulting or which may result in the Release of Hazardous Substances into the waters or onto the lands of the State of Florida, or into waters outside the jurisdiction of the State of Florida, or into the environment.

20. Employees and Agents of Lessee. The employees and agents of Lessee shall not be deemed to be employees or agents of Lessor solely by the existence and terms of this Lease.

21. Notices. All notices required or permitted under this Lease shall be in writing and shall be deemed effective upon personal delivery, delivery by U.S. Mail, registered or certified, and postage prepaid, or delivery by a recognized overnight delivery service. Such notices shall be addressed to the party at the Notice Address.

22. Title and Quiet Enjoyment. Subject to Lessee complying with the Lease, Lessor covenants that Lessee shall have the quiet enjoyment of the Leased Premises against the claims of all persons claiming by, through or under Lessor during the Lease Term.

23. Default.

A. Events of Default. Each of the following shall be an "Event of Default" under this Lease:

i. Failure of Lessee to complete construction of the Project within the time required under Paragraph 16, (a "Preconstruction Default");

ii. Failure of Lessee to timely make any payments required by this Lease ("Monetary Default");

iii. (a) If Lessee becomes insolvent; (b) If Lessee makes an assignment for the benefit of creditors; (c) If Lessee files a Voluntary petition for relief under or otherwise seeking the benefit of any bankruptcy, reorganization, arrangement or insolvency law; or (d) If a receiver or trustee is appointed for Lessee;

iv. If Lessee deserts, vacates or abandons the Leased Premises for a period of thirty (30) consecutive days ("Non-curable Default");

v. Failure to sublease or otherwise cause the buildings to remain unoccupied for a period of three or more years ("Non-curable Default"); or

vi. Failure to perform any covenant or term (other than those listed above) hereof by the other party (a "Nonmonetary Default").

B. Grace Periods.

i. Monetary Defaults. Notwithstanding anything contained in this Lease to the contrary, Lessee shall have a period of ten (10) days after written notice from Lessor of a Monetary Default in which to cure the default.

ii. Pre-construction Defaults. Notwithstanding anything contained in this Lease to the contrary, Lessee shall have a period of thirty (30) days after written notice from Lessor to commence construction of the Project.

iii. Non-curable defaults. Without limiting the provisions of **Paragraph 30**, in the event of a Non-curable Default, Leasehold Mortgagee shall be entitled to obtain a new lease from Lessor on the same terms and conditions as this Lease for the remainder of the Lease Term, without being required to cure such Non-curable Default. Furthermore, all building and improvements owned by Lessee before such termination shall automatically pass to, vest in,

and belong to such Leasehold Mortgagee, and shall not become the property of Lessor unless and until the final expiration or sooner termination of this Lease not followed by a new lease.

iv. Nonmonetary Defaults. "Emergency" shall mean the threat of imminent injury or damage to persons or property or the imminent imposition of a civil or criminal fine or penalty. Provided the default does not involve an Emergency that must be addressed in a shorter time frame, Lessee shall have a period of thirty (30) days after written notice from Lessor of a Nonmonetary Default in which to cure the default. In addition, provided that the default does not involve an Emergency that must be addressed in a shorter time frame, this grace period shall be extended if the default is of a nature that it cannot be completely cured within such grace period solely as a result of nonfinancial circumstances outside of Lessee's control, provided that Lessee has promptly commenced all appropriate actions to cure the default within such grace period and those actions are thereafter diligently and continuously pursued by Lessee in good faith. In no event, however, shall the grace period exceed a total of ninety (90) days. If the Nonmonetary Default is not cured before the expiration of the grace period as extended, then Lessor may pursue any or all of its remedies.

v. Statutory Notices. The written notices of defaults to be given under this **Paragraph 23** may be the same as the notice required under section 83.20, Florida Statutes, or any successor statute, and this Lease shall not be construed to require Lessor to give two (2) separate notices to Lessee before proceeding with any remedies.

24. Remedies.

A. If Lessee defaults beyond the applicable grace period described in Paragraph 23 of this Lease, Lessor shall have all remedies available at law or in equity, and the right of Acceleration as provided in this Paragraph 24. Notwithstanding the foregoing, Lessor agrees that Lessee shall have thirty (30) days after commencement by Lessor of any proceedings to file an appropriate pleading in the action initiated by Lessor to contest the claim of default or to cure such default; no action shall be taken by Lessor during such thirty (30) day period to regain possession of the Leased Premises from Lessee or to terminate this Lease. If such default is not cured, Lessor's rights and Lessee's obligations shall be resolved by the final determination made by the court in which Lessor's proceedings were initiated. For the purpose of this Paragraph 24 a "final determination" shall occur when the judgment or order entered can be enforced by issuance of a writ of possession or otherwise and no such judgment or order shall be considered final for purposes of this Paragraph 24 during the pendency of a stay of execution in connection with an appeal. Notwithstanding anything in this Paragraph 24 to the contrary, if there is a Monetary Default that arises out of a dispute with regard to an amount owed, this Lease shall not terminate if Lessee pays to Lessor the amount the court determines to be owed, within the period of time permitted by law, or ten (10) days after such determination if no such grace period is permitted. Lessor shall not be required to give Lessee any notice of a default, other than the notices described above and in Paragraph 26 of this Lease, before Lessor's exercise of its remedies under this Lease.

B. Acceleration. In addition to the remedies provided at law or equity, if Lessee defaults, Lessor may declare the entire balance of all forms of Rent due under this Lease for the

remainder of the Lease Term to be forthwith due and payable and may collect the then-present value of the Rents (calculated using a discount rate equal to the discount rate of the branch of the Federal Reserve Bank closest to the Leased Premises in effect as of the date of the default). If Lessor exercises its remedy to retake possession of the Leased Premises and collects from Lessee all forms of Rent owed for the remainder of the Lease Term, Lessor shall account to Lessee, at the date of the expiration of the Lease Term, for the net amounts actually collected by Lessor as a result of a re-letting, net of the Lessee's obligations as specified in this Agreement.

25. No Monetary Damages. Lessee hereby acknowledges and agrees that it is sophisticated and prudent in business transactions and proceeds at its own risk under advice of its own counsel and advisors and without reliance on the other party. The only remedy available to Lessee for Lessor's breach of this Lease is to require Lessor's specific performance under the terms and conditions of this Lease. Lessor, its employees and agents shall not be liable to Lessee for damages of any kind including direct, indirect, or consequential damages.

26. Notices to Leasehold Mortgagee/Right to Cure. Except for a Preconstruction Default, this Lease shall not be terminated because of a default or breach on the part of Lessee, except in accordance with the following:

A. Written notice of any such default or breach shall have been delivered to Leasehold Mortgagee in accordance with the provisions of this Paragraph 26 and Paragraph 30 of this Lease;

B. With regard to a Monetary Default, Leasehold Mortgagee has not cured such default or breach within thirty (30) days following the expiration of any of Lessee's written notice and cure periods set forth in this Lease; and

C. With regard to a Nonmonetary Default, Leasehold Mortgagee has not cured such default within one hundred twenty (120) days following the expiration of any of Lessee's written notice and cure periods set forth in this Lease or, if such default is curable but cannot be cured within such time period, (i) Leasehold Mortgagee has not notified Lessor within such time period that it intends to cure such default, (ii) Leasehold Mortgagee has not diligently commenced to cure such default, (iii) Leasehold Mortgagee does not prosecute such cure to completion within one hundred twenty (120) days following the expiration of Lessee's cure period set forth in this Lease, or (iv) Leasehold Mortgagee has not complied with all other terms of this Lease during such cure period, including, but not limited to, payment of Rent and all other amounts payable under this Lease.

If Leasehold Mortgagee is unable to cure any Nonmonetary Default without obtaining possession of the Leased Premises, and Leasehold Mortgagee determines to foreclose the Leasehold Mortgage (as hereinafter defined), or to acquire the leasehold, or to succeed to Lessee's possessory rights with regard to the leasehold interest in the Leased Premises, or to appoint a receiver, before it effectuates the cure of any default by Lessee (that is unable to cure without obtaining possession of the Leased Premises), the cure periods set forth above in this Lease shall be extended by any period during which foreclosure proceedings, or legal proceedings to succeed to Lessee's possessory rights, or proceedings to appoint the receiver,

are conducted, as the case may be. Any such proceedings shall be commenced promptly after the written notice of default is delivered to Leasehold Mortgagee and shall be diligently prosecuted. Promptly after Leasehold Mortgagee acquires the leasehold interest in the Leased Premises pursuant to foreclosure proceedings or otherwise, or succeeds to Lessee's possessory rights in the Leased Premises, or promptly after a receiver is appointed, as the case may be, Leasehold Mortgagee shall cure the default.

Leasehold Mortgagee shall not have any right to cure a Preconstruction Default.

27. Lessor's Right to Perform. If Lessee defaults beyond the applicable cure periods in this Lease, Lessor may, but shall have no obligation to, perform the obligations of Lessee, and if Lessor, in doing so, makes any expenditures or incurs any obligation for the payment of money, including reasonable attorneys' fees, the sums so paid or obligations incurred shall be paid by Lessee to Lessor within thirty (30) days of rendition of a bill or statement to Lessee therefor.

28. Late Charges. If any payments due Lessor under this Lease shall not be paid within five (5) days of the date when due, Lessee shall pay, in addition to the payment then due, an administrative charge of 5% of the past due payment.

29. Interest. All payments due Lessor shall bear interest at 18% per annum, or the highest rate of interest permitted to be charged by applicable law, whichever is less, accruing from the date the obligation arose through the date payment is actually received.

30. Leasehold Financing.

A. Consent to Leasehold Mortgaging and Construction Financing. Lessee shall have the right to mortgage Lessee's leasehold estate in the Leased Premises under this Lease pursuant to a mortgage (a "Leasehold Mortgage") to Leasehold Mortgagee at any time and from time to time with notice to but without the consent of Lessor, provided that the proceeds of such financing are used to fund the costs of the Project and/or any other Improvements permitted under the terms of this Lease (including but not limited to architectural, engineering and construction costs of the Improvements and any fixtures, furniture, or other personal property to be used therein), on any terms Lessee may deem desirable, and in connection therewith may assign its leasehold estate to the holder of such mortgage and/or deed of trust. Any such Leasehold Mortgage shall be a lien only on Lessee's interest in the Leased Premises and shall not constitute a lien on Lessor's interest in the Leased Premises. In addition, Lessor hereby consents and agrees to the Construction Financing and to any assignment, pledge, grant of security, mortgage or other lien of any property or asset of Lessee or the Lessee Successor (including without limitation any rights, title and interest of Lessee and/or the Lessee Successor under this Lease), as security for any and all such Construction Financing. Lessor acknowledges and agrees that Lessee shall have no obligation to obtain Lessor's consent to any terms or conditions of the Construction Financing. For purposes of this Paragraph 30, the term "Leasehold Mortgagee" shall mean the holder(s) of a Leasehold Mortgage. Lessor agrees that each Leasehold Mortgagee shall be entitled to exercise any and all rights and remedies available to such Leasehold Mortgagee under its Leasehold Mortgage and under applicable laws, including, without limitation, foreclosure, appointment of a receiver, all without notice to or

consent of Lessor. Notwithstanding any provision herein to the contrary, Lessor agrees that a Leasehold Mortgagee shall be entitled to sell or transfer its leasehold interest to any third party in accordance with the terms and conditions of its Leasehold Mortgage and applicable laws and such third party shall succeed to all of Lessee's rights, title and interest in, to and under the Lease, provided that such third party agrees to be bound by, and subject to, the terms and conditions of this Lease.

B. Lessor Covenants. Lessor covenants that:

- i. to the extent Lessor has been provided notice of the names and addresses of Leasehold Mortgagee(s), Lessor will provide written notice of a breach of this Lease on the part of Lessee given to Lessee shall be simultaneously given to each Leasehold Mortgagee at the most recent address of which Leasehold Mortgagee has given Lessor written notice. Failure to serve a copy of such notice upon a Leasehold Mortgagee shall render the notice ineffective. Lessor shall not have the right to terminate this Lease so long as Leasehold Mortgagee has the right to cure any default by Lessee. Lessor shall provide to each Leasehold Mortgagee written notice of Lessor's intention to terminate this Lease at least thirty (30) days prior to such termination. Leasehold Mortgagee shall have the ability to cure defaults in the time and manner as set forth in **Paragraph 26** of this Lease above.
- ii. if Lessor elects to terminate this Lease following an Event of Default by Lessee, Leasehold Mortgagee, in addition to the right to cure in Paragraph 26, shall also have the right, if notice is given in writing prior to the date of termination, to postpone and extend the specified date for the termination of this Lease for such time as is reasonably necessary to cure the defaults, provided that Leasehold Mortgagee (i) shall pay any unpaid amounts due from Lessee under this Lease, (ii) shall comply with and perform all of the other terms and conditions of this Lease, provided Leasehold Mortgagee shall promptly take steps to acquire or sell Lessee's leasehold interest hereunder which is subject to the lien of the Leasehold Mortgage for foreclosure or otherwise and shall prosecute the same to completion with due diligence and within the timeframes established in Paragraph 26 above.
- iii. prior to the termination of this Lease by reason of a default on the part of Lessee and after expiration of any and all applicable notice and cure periods granted to Lessee and each Leasehold Mortgagee, Lessor shall offer Leasehold Mortgagee or its designee a new Lease for the Leased Premises for the remainder of the Lease Term (including any renewal thereof), effective as of the date of such termination, on the same terms and conditions set forth in this Lease, including but not limited to the use provisions of Paragraph 4, and subject to those conditions of title and possession to the Leased Premises existing in fact and as of record, if:

- (a) Leasehold Mortgagee or its nominee shall make written request to Lessor for such new Lease within thirty (30) days after Lessor provides written notice of its intention to terminate the Lease and such written request is accompanied by payment to Lessor or its designee of all sums then due under this Lease;
 - (b) Leasehold Mortgagee or its nominee shall pay at the time of the execution and delivery of said new Lease, any and all sums which would at the time of the execution and delivery thereof, be due pursuant to this Lease but for such termination; and
 - (c) Leasehold Mortgagee or its nominee, from and after the entry into such new Lease shall perform and observe all requirements of Lessee hereunder and shall further remedy, with reasonable diligence, any other default of Lessee under this Lease which is reasonably susceptible of cure by Leasehold Mortgagee.
- iv. If there is more than one Leasehold Mortgagee, Lessor shall offer a new Lease to each Leasehold Mortgagee in the order of such Leasehold Mortgagee's lien priority.

C. Cooperation. Lessor hereby acknowledges that potential and existing Leasehold Mortgagees of Lessee may require estoppel certificates, consents, approvals or other written documentation from Lessor and from certain third parties that may from time to time have a property, regulatory or other interest in the Leased Premises in connection with existing or potential Leasehold Mortgages, and Lessor hereby agrees to (i) within twenty (20) days after written request, deliver all such documentation as Lessee or any existing or prospective Leasehold Mortgagee may reasonably require, provided that nothing therein materially adversely affects the rights of Lessor, and (ii) promptly cooperate with Lessee and any such existing or potential Leasehold Mortgagee in order to obtain any such written documentation from any such third parties. It is understood that Lessor shall not be obligated to expend any funds or incur any liabilities in implementation of the foregoing, and Lessor shall be reimbursed by Lessee or any such Leasehold Mortgagees for all such out-of-pocket costs and expenses incurred by Lessor in connection therewith.

D. Notice of Leasehold Mortgagee Default. Lessee hereby agrees to forward to Lessor a copy of any notice of default under any Leasehold Mortgage held by a Leasehold Mortgagee within ten (10) days after Lessee's receipt thereof from the applicable Leasehold Mortgagee.

E. No Modification Without Consent. Lessor will not amend, cancel, surrender, or modify this Lease without the prior written consent of such Leasehold Mortgagee.

F. Insurance. A standard mortgagee clause naming each Leasehold Mortgagee may be added to any and all insurance policies required to be carried by Lessee hereunder on the condition that the insurance proceeds are to be applied in the manner specified in this Lease

and the Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to Lessee pursuant to the provisions of this Lease.

G. Improper Payments. No payment made to Lessor by a Leasehold Mortgagee shall constitute an agreement that such payment was, in fact, due under the terms of this Lease; and a Leasehold Mortgagee having made any such payment to Lessor pursuant to Lessor's wrongful, improper or mistaken notice or demand shall be entitled to the return of any such payment or portion thereof provided demand shall have been made therefor not later than six (6) months after the date of its payment. It is not intended that this Paragraph 30 shall confer on Leasehold Mortgagee any additional rights concerning the refund of payment by it of any regularly City billed or invoiced taxes, municipal charges, privileges, water charges or other such fees etc.

H. Inconsistency. In the event of any inconsistency between other portions of this Lease and this Paragraph 30, this Paragraph 30 shall control.

I. No Merger. Unless Leasehold Mortgagees shall otherwise consent, the fee title to the Leased Premises and the leasehold estate created by this Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Lessee, Lessor, a Leasehold Mortgagee, or in any other person by purchase, operation of law, or otherwise.

J. THIS PARAGRAPH INTENTIONALLY LEFT BLANK.

K. Extension of Cure Rights. It is hereby expressly agreed that the time permitted to Leasehold Mortgagee to commence and/or complete any cure of any default by Lessee hereunder shall include and shall be extended by the time required to pursue any remedies necessary to enable Leasehold Mortgagee to effect such cure, and by any period in which a Leasehold Mortgagee is prevented from curing by reason of any stay in any bankruptcy of Lessee or other stay of enforcement proceedings to which Leasehold Mortgagee may be subject.

L. Liability of Leasehold Mortgagee. In no event shall a Leasehold Mortgagee have or be deemed to assume any personal liability under this Lease or any personal liability for performance of any of Lessee's obligations under this Lease (except as specifically covenanted in this Agreement), it being agreed that (i) Leasehold Mortgagee's commencement of any enforcement proceedings or any efforts to cure any default under this Lease shall be for its own protection and shall not by itself constitute an assumption of the Lease nor obligate Leasehold Mortgagee to complete any such proceedings or cure, (ii) upon completion of any foreclosure or other proceedings for enforcement and collection under its Leasehold Mortgage, the liability of Leasehold Mortgagee under any assumption of this Lease shall be limited to its investment in the leasehold interest in the Leased Premises and the Improvements, and (iii) in the event Leasehold Mortgagee or any affiliate or nominee thereof shall have acquired the leasehold interest in the Leased Premises, upon any subsequent assignment of this Lease, Leasehold Mortgagee or such any affiliate or nominee shall be released from any further liability under this Lease accruing after the date of such assignment.

M. Attornment; Successor Obligations. In the event that a Leasehold Mortgagee or any successor entity that may acquire Lessee's interest in the Leased Premises pursuant to any exercise of remedies under any Leasehold Mortgage (a "Purchaser"), the Leasehold Mortgagee or Purchaser will attorn to Lessor, and Lessor will recognize the Leasehold Mortgagee or Purchaser as the lessee under this Lease. The Leasehold Mortgage or Purchaser shall thereupon be deemed to have assumed all of the obligations of Lessee to Lessor under this Lease, subject to the provisions of Paragraph 30(L) above, and provided that no Leasehold Mortgagee or Purchaser shall be deemed to have assumed any responsibility or liability for any unsatisfied indemnification obligations of Lessee under the Lease.

N. Lessor Bankruptcy. In the event that Lessor shall become subject to any bankruptcy or insolvency proceeding, any rights, elections, or actions available to Lessee therein, if any, shall be subject to the rights of Leasehold Mortgagee under the Leasehold Mortgage to consent to, or to exercise on behalf of Lessee, such rights, elections, or actions. Subject to applicable law, without limiting the foregoing, no consent or acquiescence by Lessee to any rejection of this Lease by Lessor or any successor or trustee in such proceeding shall be binding or effective without the prior, written consent thereto by each Leasehold Mortgagee, and the rights, liens, and claims of Leasehold Mortgagee shall extend to, encumber, and include all rights to damages for any such rejection and all rights to continued possession of the Leased Premises.

O. No Encumbrance by Lessor. Lessor agrees not to mortgage or otherwise encumber its interests in the Leased Premises and this Lease following the date hereof, unless all holders of any such mortgage or other encumbrance expressly agree to be subject to and bound by the terms of this Lease (expressly including this Paragraph 30) and that no foreclosure or other enforcement of such mortgage or other encumbrance will disturb or effect this Lease or the rights of Leasehold Mortgagees hereunder. Notwithstanding the foregoing, this Paragraph 30(O) does not affect Lessor's ability to enter into indebtedness (bonded or otherwise) provided such indebtedness does not encumber Lessor's fee interest in the Leased Premises.

31. Lessor's Representations and Warranties. ((How about Lessee reps and warranties? Guarantor?)) Lessor makes the following affirmative representations and warranties as the basis for the understandings on the part of Lessee contained in this Lease, understanding that Lessee may rely thereon:

A. Lessor is a municipal corporation duly organized and validly existing under the constitution and laws of the State of Florida;

B. Lessor has the full legal right, power, and authority to enter into and perform its obligations under this Lease;

C. The execution and delivery of this Lease (and any ancillary documents envisioned by this Lease) has been duly authorized by all proper and necessary action of Lessor and any other person whose action is required;

D. This Lease, when executed and delivered on behalf of Lessor, will constitute the legal, valid, and binding obligation of Lessor, enforceable in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights, or, to the extent that certain remedies hereunder require or may require enforcement by a court of equity, such principles of equity as the court having jurisdiction may apply;

E. The execution, delivery, and performance by Lessor of this Lease will not violate any provision of applicable law or any judgment, order, decree, rule, or regulation binding upon it, the violation of which might have a materially adverse effect upon Lessor, the Leased Premises, or the operation of the Leased Premises;

F. There are no actions, suits, or proceedings pending against Lessor or, to the knowledge of Lessor, threatened against Lessor before or by any court, governmental body or agency, or other tribunal or authority, which action, suit, or proceeding would, if adversely determined, have a materially adverse effect on the authority or ability of Lessor to perform its obligations under this Lease, or which would question the legality, validity, or enforceability of this Lease;

G. Neither the execution and delivery of this Lease, the consummation of the transactions contemplated by this Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease, conflicts with or results in a breach of any of the terms, conditions, or provisions of any corporate charter provision or any agreement or instrument to which Lessor is now a party or by which it is bound, or constitutes a default under the terms of any of the foregoing;

H. To the knowledge of Lessor, Lessor is not a party or a potential party to any pending, threatened, or contemplated bankruptcy or similar proceeding under any law that has resulted or may result in alteration of or grant of relief from claims of creditors against Lessor; and

I. Lessor's interest in the Leased Premises is free and clear of any mortgages, liens or security interests.

32. Lessee's Representations and Warranties. Lessee represents and warrants to CRA that the following statements are true and correct in all material respects:

A. Lessee is a validly existing Florida corporation, authorized to do business in the State of Florida. Lessee has all requisite power and authority to carry on its business as now conducted, to own or hold property, and to enter into and perform its obligations of this Agreement and each instrument required to be executed by Lessee pursuant to this Agreement, and has consented to service of process in the State of Florida.

B. This Agreement and each document required to be Executed by Lessee pursuant to this Agreement has been duly authorized by all necessary action on the part of, and has been or will be duly executed and delivered by, Lessee and neither the execution and delivery nor the compliance with the terms and provisions thereof: (i) requires the approval of any other party,

except as has been obtained or noted herein, (ii) contravenes any law, judgment, governmental rule, regulations, or order binding on Lessee, or (iii) results in any default under or creates any lien upon any property of Lessee (other than the encumbrance of this Agreement on the Property upon recording).

C. This Agreement and each document to be executed by Lessee pursuant to this Agreement constitutes a legal, valid, and binding obligation of Lessee, enforceable against Lessee, in accordance with the Agreement's terms except as such enforceability may be limited by applicable bankruptcy, insolvency, or similar laws which affect creditor's rights generally and subject to usual equitable principles if equitable remedies are invoked.

D. There are no pending or, to the best knowledge of Lessee, threatened actions before any court or administrative agency against Lessee that (i) question the validity of this Agreement, or (ii) are likely to materially adversely affect this Agreement or the financial condition of Lessee.

E. Lessee has filed all tax returns required to be filed by Lessee and has paid all taxes shown to be due on such returns.

F. Lessee is financially capable of carrying out all obligations in connection with the acquisition, construction, and equipping of the Project contemplated by this Agreement.

33. Covenant Against Liens. If, because of any act or omission of Lessee or any party claiming by through or under Lessee, any lien, charge, or order for the payment of money shall be filed against Lessor or any portion of the Leased Premises, Lessee shall, at its own cost and expense, cause the same to be discharged of record or bonded within twenty (20) days after written notice from Lessor to Lessee of the filing thereof; and Lessee shall indemnify and save harmless Lessor against and from all costs, liabilities, suits, penalties, claims, and demands, including reasonable counsel fees, resulting therefrom.

34. Indemnification/Waiver of Liability. Lessee shall indemnify, defend, save, and hold harmless Lessor and its officers, agents and employees from any losses, fines, penalties, costs, damages, claims, demands, suits, and liabilities of any nature, including attorney's fees (including regulatory and appellate fees), for any personal injury or property damage resulting from the use and control of the Leased Premises by Lessee, and its officers, agents, employees, sub lessees, and invitees, and the condition and maintenance of the Leased Premises, including utilities located within the Leased Premises, or otherwise arising from or occasioned by any act or omission or negligence or intentional wrongdoing on the part of Lessee, and its officers, agents, employees, sub lessees, and invitees. This indemnification shall not be limited to the insurance coverage provided herein. This indemnification obligation shall survive the expiration or termination of the Lease.

35. Non-discrimination. Lessee shall not discriminate against any person on the basis of sexual orientation, race, color, gender, age, religion, national origin, marital status, disability or gender identity, in either employment, contracting or with regard to its services, as applicable, in accordance with any federal, state and local laws.

36. Relationship with Lessor. Lessee shall not use any trademark, service mark, trade name or other indicia of Lessor, nor shall Lessee hold itself out as having any business affiliation with Lessor other than a Lessor-Lessee relationship, and upon direction of Lessor, Lessee shall issue public disclaimers to that effect.

37. Purchase of Leased Premises.

A. In the event the CRA receives plat approval from the City for the Cornerstone Property, Lessor will offer Lessee an option to purchase Lots C and D in substantially the form of Option Agreement set forth in **Exhibit E** to this Agreement. Lessee must exercise any option to purchase prior to the conclusion of the 15th year of the first Lease Term.

B. In the event the Parties enter into an Option to Purchase, Parties agree that the purchase price for Lots C and D is \$500,000, plus 3% annual appreciation compounded annually. Parties also agree that the Base Rent (but not CAM charges, taxes or an additional rent) paid by Lessee to date of purchase will be deducted from the Purchase Price. For example, the purchase price and payment will be calculated as follows:

Base Price of \$500,000.00 for Lots C and D x 3% annual appreciation (compounded annually) calculated as of September 1 of each year. (For example, if Lessee elects at the end of year 15 to exercise its option to purchase, the Purchase Price would be \$778,982.00)

The Parties further agree that the Base Rent paid by Lessee shall be applied to the Purchase Price. (For example, if Lessee exercises its option to purchase the Leased Premises at the end of year 15, the Purchase Price would be reduced by \$211,340.36, assuming this is the actual amount of Base Rent paid to Lessor in years 6 through 15. Accordingly, if Lessee exercises its Option to Purchase at the end of Year 15, Lessee shall pay Lessor \$567,641.64.)

C. If Lessee elects to purchase the Premises, Lessee shall provide written notice of its intent to purchase to Lessor upon which Lessor shall prepare its standard form of Purchase and Sale Agreement for an "As-Is, Where-Is" sale with Lessor paying all closing costs, and provide two copies of same to Lessee. The option shall be effectively exercised upon the Lessee's execution of the Purchase and Sale Agreement.

D. Nothing in this Paragraph 36 shall be deemed to require the City, acting in its regulatory capacity, to approve the platting, zoning, building permits, or other regulatory approvals.

38. Miscellaneous.

A. Lessee shall surrender possession of the Leased Premises to Lessor upon the expiration or termination of this Lease, free of all trash, junk, garbage and other similar debris. If Lessee remains in possession of the Leased Premises following the expiration of the Lease Term, such hold over shall result in a tenancy at will and the Rent shall be \$25,000 per month. This provision does not give Lessee any right to hold over.

B. This Lease constitutes the entire agreement and understanding of Lessor and Lessee with respect to the subject matter of this Lease, and supersedes all options offers,

negotiations and other agreements. There are no representations or understandings of any kind not set forth herein. Any amendments to this Lease must be in writing and executed by Lessor and Lessee.

C. If either Lessor or Lessee is represented by a broker in this transaction, that party shall be fully responsible for any fees due to such broker and shall hold the other party harmless from any claims for commission by such broker.

D. This Lease shall be construed in accordance with the laws of the State of Florida with venue in Alachua County, Florida.

E. If any term of this Lease is found to be void or invalid, such invalidity shall not affect the remaining terms of this Lease, which shall continue in full force and effect; provided the intent and purpose of the Lease can be fulfilled.

F. This Lease may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties, it being understood that all parties need not sign the same counterpart.

G. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit. Lessor makes no representation or warranty with respect to the presence or absence of radon in or about the Leased Premises.

H. Except as otherwise expressly provided in this Lease, Lessee acknowledges and agrees that (i) Lessor has not made and is not making any representations, warranties, assurances or guarantees to Lessee regarding the Leased Premises, express or implied, and (ii) Lessee is leasing the Leased Premises in its present condition, AS IS, WHERE IS.

I. No provision(s) of this Lease shall be interpreted or deemed as a waiver of Lessor's or CRA's sovereign immunity.

J. Upon execution of this Lease by both Parties, Lessor shall record a short form of this Lease among the land records for Gainesville, Florida (the "Memorandum of Lease"). In addition, upon expiration of or earlier termination of the Lease, upon Lessor's or Lessee's request and at such requesting party's expense, Lessor and Lessee agree to record, among the land records of Gainesville, Florida, a termination of the Memorandum of Lease and transfer of the Improvements from Lessee to Lessor.

39. Personal Guaranty. Brian S. Crawford does hereby personally guarantee and shall be liable for performance of, payment due and all other obligations of Lessee under this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first written above.

LESSOR:
CITY OF GAINESVILLE

ATTEST:

Kurt Lannon, Clerk of the Commission

By: _____
Anthony Lyons, City Manager

Approved as to Form and Legality:

City Attorney

LESSEE:
CONCEPT COMPANIES, INC.

Print name: _____

By: _____
Print name: Brian S. Crawford
Title: President

Print name: _____

GAINESVILLE COMMUNITY REDEVELOPMENT
AGENCY

Print name: _____

By: _____
Print name: Anthony Lyons
Title: Executive Director CRA

Print name: _____

Approved as to Form and Legality:

CRA Attorney

The undersigned Guarantor acknowledges having received a complete copy of this Ground Lease and Development Agreement, and having had the opportunity to consult with legal counsel as Guarantor deemed appropriate, prior to executing this Ground Lease and Development Agreement assuming the personal obligations described in Section 39.

GUARANTOR:

Print Name: _____

Name: Brian S. Crawford

Print Name: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2016 by Brian S. Crawford, who has acknowledged that he has executed the same. He is personally known to me or has produced _____ as identification.

Notary Public, State of Florida