

## Retail Space Lease Southwest Downtown Parking Garage

THIS LEASE AGREEMENT ("Lease") is made this 24 day of FEB, 2014 by and between the **City of Gainesville, Florida**, a municipal corporation under the laws of the State of Florida, whose address is P.O. Box 490, Station 6, Gainesville, Florida 32627 ("Landlord") and **KJB Investment Corporation, a Florida S Corporation**, whose address is **2915 NW 14<sup>th</sup> Pl, Gainesville, FL 32605** ("Tenant") (hereafter collectively "Parties"). In consideration of the mutual promises contained herein and other good and valuable consideration the parties agree as follows:

**SECTION 1. LEASE OF PREMISES.** Landlord hereby leases to Tenant the following described space in the building known as the Southwest Downtown Parking Garage (the "Building") located at 105 SW 3<sup>rd</sup> Street, Gainesville, Florida (the "Property"); retail space located at 60 SW 2<sup>nd</sup> Street, consisting of approximately 2,822 square feet (the "Premises.") In addition, the Tenant shall have use of 2 reserved parking space(s) in the Building, the location of which shall be assigned by Landlord. Tenant shall pay the applicable daily or monthly fee for use of the reserved parking space. Any other parking arrangements will be made by addendum to this Lease.

### **SECTION 2. USE/MAINTENANCE AND REPAIR.**

**A. Use.** Tenant shall use the Premises exclusively for a bar, lounge, and music venue. Tenant shall maintain compliance with all relevant federal, state, and local laws, rules and regulations governing its business. Should the Tenant desire to use the Premises for any other purpose, the use must be pre-approved in writing by Landlord, which approval may be granted or denied in the sole discretion of the Landlord. Tenant's taking possession of the Premises shall be conclusive evidence of Tenant's acceptance thereof in good order and satisfactory condition. Tenant agrees that Landlord has made no representations respecting the condition of the Premises; that Landlord has made no representations as to conformance with applicable laws respecting the condition of the Premises or the presence or absence of Hazardous Substances in, at, under, above or abutting the Premises; that no warranties or guarantees, expressed or implied, with respect to workmanship or any defects in material have been given; and that no promise to decorate, alter, repair or improve the premises either before or after the execution hereof have been made by Landlord or its agents to Tenant unless the same are contained herein. Tenant shall create no public nuisance nor allow a public nuisance to be created in or from the Premises, Building or Property. Tenant shall not store, manufacture or sell any explosives, flammables or other inherently dangerous substances, chemicals, things or devices from the Premises. Tenant shall not conduct any trade, business or occupation that is unlawful.

#### **B. Maintenance and Repair.**

- 1) Tenant Responsibilities. Tenant shall promptly notify Landlord of any damage, necessary repairs or maintenance. Tenant shall be responsible for maintaining the heating and air conditioning (HVAC) system, windows, interior walls, mechanical, electrical, plumbing, light fixtures, floor, and floor coverings in the

condition that existed on the first day of the Lease term. Tenant shall be responsible for routine repairs and maintenance of the HVAC systems, but not for replacement. Routine repairs are those repairs necessary to keep the HVAC systems in the same condition as existed on the first day of the Lease, and not exceeding \$500.00 per repair. Provided however, that all repairs, replacement, and maintenance in connection with damage or loss to the Premises, fixtures, and improvements resulting from acts, omissions or negligence of the Tenant, or the Tenant's employees, agents, licensees, tenants or invitees, shall be the responsibility of the Tenant. In addition, Tenant shall repair all damage caused by the installation or removal of furniture, fixtures, or property permitted under this Lease to be removed from the Premises, or which may be placed thereon by Tenant. All such repairs shall be made in a good, workmanlike manner. In the event of Tenant's failure to make repairs within a reasonable period of time, or in the event that the repairs are inadequate in the sole judgment of the Landlord, the Landlord may elect to make such repairs and perform such maintenance and the Tenant shall pay to the Landlord, upon demand, the reasonable costs of such repairs and maintenance. Tenant shall maintain the Premises in a clean and sanitary condition by providing routine janitorial, pest prevention and trash removal services.

- 2) Landlord Responsibilities. Landlord shall be responsible for the maintenance and repair of the roof, exterior walls, structural portions of the building, and the replacement of the HVAC systems. All repairs not addressed herein and not caused by the acts, omissions or negligence of the Tenant or its employees, agents, licensees, patrons, guests or invitees, shall be the responsibility of Landlord.

**C. Common Areas.** Tenant, its employees, agents, licensees, patrons, guests and invitees shall have the non-exclusive right in common with the Landlord and all others to whom Landlord has or may hereafter grant rights, to use any common areas designated by Landlord, subject to such rules and regulations as Landlord may impose. Landlord may at any time close any common area to make repairs or changes or to prevent the acquisition of public rights in such area. Tenant agrees to park in such areas as may be designated by Landlord. All common areas and facilities not within the Premises, which Tenant may be permitted to use and occupy, are to be used and occupied under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

Any rules and regulations appended to this Lease are hereby made a part of this Lease, and Tenant agrees to comply with and observe the same. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the manner as if the same were contained herein as covenants. Landlord reserves the right from time to time to amend or supplement said rules and regulations and to adopt and promulgate additional rules and regulations applicable to the Premises, Building and the Property. Notice of such additional rules and regulations, amendments and supplements, if any, shall be given to Tenant, and Tenant

agrees thereupon to comply with and observe all such rules and regulations, and amendments thereto and supplements thereof, provided the same shall apply uniformly to all tenants of the Building.

**SECTION 3. TERM OF LEASE AND SURRENDER OF PREMISES.** Tenant shall lease the Premises for a period of three (3) years, commencing on **April 1, 2014** and ending on **March 31, 2017**, unless earlier terminated as provided herein. Following the initial term, this Lease may be extended for up to two additional consecutive three-year terms upon the mutual consideration of both parties, provided the Tenant is not then currently, or has not in the past been, in default under this Lease. Tenant shall notify the Landlord, in writing, not less than 90 days prior to the expiration date of the Lease if the Tenant desires to exercise the extension option. On or before the date of expiration or termination of this Lease, Tenant must remove its furniture, movable equipment and other personal property not attached to the Premises. Anything not removed on or before the date of expiration or termination of this Lease will become the property of the Landlord. Upon termination of this Lease, Tenant agrees to deliver to Landlord all keys to the Premises and to surrender the Premises immediately and in good order and condition, excepting reasonable wear and tear, and return to the Landlord all tangible personal property supplied by Landlord to Tenant other than Tenant's own personal property.

**SECTION 4. RENT.** Tenant agrees to pay Base Rent for the one year term and any optional extensions at the amount described in Exhibit "A". The Base Rent, sales tax, water and sewer service referenced in Section 5, taxes referenced in Section 18 and any other charges, fees or amounts due from the Tenant to the Landlord under the terms of this Lease are hereinafter collectively referred to as "Rent." Tenant agrees to pay the Rent in advance on or before the first day of every month. If Tenant makes the monthly payment on or after the 10th day of the month, Landlord shall assess a late fee of 5% of the rent due for that month. The late fee is intended to compensate Landlord for administrative expenses associated with responding to late payment, and shall not be considered liquidated damages or interest. Non-payment or delay in the payment of Rent beyond thirty (30) days from the due date will be deemed a default of this Lease and shall be grounds for termination of this Lease by the Landlord. Payments shall be made to: City of Gainesville, Billing and Collections Office, 200 E. University Avenue, Station 46, Gainesville, Florida 32601.

**SECTION 5. UTILITIES.** Tenant agrees to obtain utility service from the utility providers approved by the Landlord for service at the site. Tenant shall be responsible for arranging for and paying for all utility services required on the Premises and agrees to timely pay any and all charges for gas, electricity, telephone, solid waste and recyclables collection, and all other utilities. All utilities shall be accounts in the name of Tenant, and Landlord shall have no liability for the cost of such utilities, or for any damage, injury or inconvenience caused by interruption of utility service. Payment for water and sanitary sewer service (based on Landlord's estimate of Tenant's usage) is included in the Rent as shown on Exhibit "A". Landlord will take a meter reading once a year and will send Tenant a written statement reconciling the payments made by Tenant (based on estimated usage) with the actual usage by Tenant. In the event the Tenant's actual usage exceeds the amount paid by Tenant to that date, Tenant shall pay the Landlord the shortage amount. In the event the Tenant's actual usage is less than the amount paid by Tenant to that date, Landlord shall refund the overpayment to the

Tenant. The payment to Landlord or refund to Tenant shall be made within 30 days of the date of Landlord's written statement.

**SECTION 6. SECURITY DEPOSIT.** To secure the faithful performance by Tenant of all the provisions of this Lease, Tenant will deposit with the Landlord, at the time of execution of this Lease, a security deposit in the amount stated in Exhibit "A". All or any portion thereof may, at the option of the Landlord, be applied to the curing of any default of Tenant. Landlord will refund the deposit to Tenant within 30 days of termination of this Lease less any expenses or costs incurred by Landlord in curing any default of Tenant, including but not limited to damage to Premises, failure to maintain or repair or outstanding debt.

**SECTION 7. INDEMNIFICATION AND INSURANCE.**

**A. Indemnity.** Tenant shall indemnify, defend and hold harmless Landlord, its officers, employees, elected officials, agents, consultants, independent contractors, and any successors to Landlord's interest from and against all claims, demands, losses, damages, liabilities, suits, fines, and penalties and costs (including attorney's fees) arising from the acts or negligence of Tenant, its employees, agents, licensees, patrons, guests and invitees.

**B. Insurance.** Tenant shall, during the term of this Lease, maintain comprehensive public liability insurance, including personal injury and property damage, issued by a reputable insurance company licensed to do business in the State of Florida with limits of not less than \$1,000,000 combined single limit protecting Landlord and Tenant against liability for any accident, injury or damage on the Premises, in the Building or on the Property. Should Landlord determine that Tenant's operations present a risk of loss of damage greater than anticipated, then Tenant may be required to maintain greater insurance coverage different in scope of loss covered and amount of coverage. Prior to the commencement date of this Lease, Tenant shall furnish to Landlord appropriate certificates of said insurance, and each insurance policy shall contain an agreement that the policy shall not be canceled or materially changed except after 30 days prior written notice of such cancellation or material change to the Landlord. All required insurance products will name the Landlord as an additional insured.

**C. Sovereign Immunity.** No provision(s) of this Lease shall be interpreted or deemed as a waiver of Landlord's sovereign immunity.

**D. Loss or Damage to Tenant's Property.** All personal property of any kind or description whatsoever in or on the Premises, the Building or on the Property, whether owned by Tenant or others, shall be at the Tenant's sole risk and Landlord shall not be liable for any damage done to or loss of such personal property, or otherwise be liable to Tenant because of any interruption of services or utilities, and such interruption or failure shall not relieve Tenant from the duty to pay the rent provided herein, or constitute or be construed as a constructive or actual eviction of Tenant. Tenant shall secure any insurance necessary to cover loss or damage to Tenant's property.

**SECTION 8. LICENSES, PERMITS AND COMPLIANCE WITH LAWS AND RULES.** Tenant shall, at Tenant's expense, obtain all necessary licenses and permits, which may be

required for the conduct of Tenant's business. Tenant shall, at Tenant's own expense observe and comply with all laws, ordinances, directives, orders, rules and regulations of all federal, state, municipal or other authorities having or claiming jurisdiction over the Premises, Tenant or the conduct of Tenant's business.

#### **SECTION 9. TENANT ALTERATIONS, IMPROVEMENTS AND FIXTURES.**

**A. Tenant alterations.** Tenant shall not make any improvements or alterations to the Premises without first obtaining written approval of the Landlord, which may be granted or denied in the sole discretion of the Landlord. Any approved improvements or alterations shall not impair the safety or the appearance of the Premises or the Building and shall be made in accordance with the Tenant Criteria Handbook (a copy of which has been furnished to the Tenant prior to the execution of this Lease and is by reference made a part hereof) and with all applicable laws, ordinances, and regulations. Contractors or workers, approved in writing in advance by Landlord, shall perform such work at Tenant's expense. The parties acknowledge that the Landlord has retained the services of a design professional to act as the Landlord's Design Review Agent and be responsible for review of Tenant improvements and alterations at the Premises. Tenant shall meet with the Design Review Agent to coordinate any improvements or alterations proposed by the Tenant. The parties agree that the Landlord maintains final approval over all architectural designs, improvements or alterations to the Premises and the Building. The review by the Design Review Agent or the Landlord is solely for the purposes of this Lease and in no way constitutes or shall be deemed approval by or a waiver of any review, permits or approvals required by the City of Gainesville. Landlord shall have the right to require that the work be performed at such time and upon terms, conditions and scheduling satisfactory to Landlord and the other tenants of the Building. All labor required for construction within the Premises shall be contract labor and shall not be deemed employees of the City.

**B. Fixtures.** All fixtures installed by Tenant in the Premises including lighting, molding, and any other article permanently affixed to the floor, wall or ceiling of the Premises shall become the property of Landlord and shall be surrendered with the Premises at the termination or expiration of this Lease. However, Landlord may direct Tenant, at Tenant's expense, in writing to remove any or all fixtures installed by Tenant on the Premises and to repair, at Tenant's expense, all damage caused by such removal and to return the Premises to its original condition, reasonable wear and tear excepted.

**C. Construction Liens Prohibited.** Tenant shall promptly pay for all labor and materials used in constructing any improvements, alterations or fixtures on the Premises and shall do all things necessary to prevent the filing of any mechanics', materialman, or other type of lien or claim against Landlord or the Property by, against, through, or under Tenant or its contractors. Tenant shall notify its contractors that Landlord's interest shall not be subject to any liens or claims for alterations, improvements or fixtures to the Premises by Tenant. Landlord's interest shall not be subject to any liens or claims for alterations, improvements or fixtures to the Premises by Tenant. If any such lien or claim is filed, Tenant shall cause the same to be discharged within twenty (20) days of the filing of the lien.

**A Memorandum of this Lease shall be recorded in the Public Records of Alachua County, Florida by the Tenant, at its sole cost, within five (5) days of execution of same.**

**SECTION 10. DEFAULT/LANDLORD'S RIGHTS AND REMEDIES.**

**A. Default.** Tenant shall be deemed in default under this Lease if Tenant fails to pay within thirty (30) days of the due date any Rent or other charges provided for in this Lease; fails to observe or perform any other term, condition, covenant or obligation of this Lease within 10 days of notice to do so; abandons the Premises; and/or fails to immediately cure any potentially hazardous conditions that Tenant, Tenant's employees, agents, licensees, patrons, guests or invitees have created.

**B. Remedies.** Upon a Tenant default, Landlord shall be entitled to immediately terminate this Lease and to recover from Tenant all unpaid Rent and additional charges due up to and including the date of termination as well as any additional sums provided by law (including attorneys' fees and costs) for which Tenant is liable or for which Tenant has agreed to pay Landlord. If Landlord terminates this Lease for breach or default, Landlord may re-enter the Premises at anytime at Landlord's discretion. Tenant agrees, following termination of the Lease, to immediately surrender the Premises to Landlord and to deliver to Landlord all keys to the Premises and to deliver to Landlord any other property supplied by Landlord and not owned by Tenant. In the event Tenant defaults, Tenant agrees to pay the Landlord's attorney's fees and all other costs and expenses resulting from the default. In addition to the statutory remedies and lien, Landlord shall have a lien for the payment of Rent upon the fixtures and equipment of Tenant located in the Premises. This lien may be enforced upon the nonpayment of Rent and additional charges by the taking and sale of such property in the same manner as allowed by law in the case default under a chattel mortgage.

**SECTION 11. BANKRUPTCY.** If, at any time during the term of this Lease, there shall be filed by or against Tenant in any court pursuant to any statute either of the United States or of any state a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property, this Lease shall be deemed canceled and terminated prior to such filing. Tenant agrees to notify Landlord in writing of its intent to file for bankruptcy at least 30 days prior to such filing and Tenant shall vacate the Premises prior to such filing. In the event of bankruptcy by Tenant, neither Tenant nor any person claiming through or under Tenant by virtue of any statute or of any order of any court shall be entitled to take possession or remain in possession of the Premises, but shall vacate and surrender the Premises.

**SECTION 12. PROPERTY DAMAGE OR OTHER CASUALTY/CONDEMNATION.**

**A. Release of Landlord.** Landlord is hereby released from any damage or injury to person or property caused by or resulting from steam, electricity, gas, water, rain, wind, ice, snow or any leak or flow from or into any part of the Premises or the Building or from any damage or injury resulting from any cause whatsoever. In addition, Landlord shall not be liable for any damage, compensation or claim by reason of inconvenience or annoyance arising from the necessity of repairing any portion of the Building or the Premises, the interruption of the use of the Premises, or the termination of this Lease by reason of any damage or destruction of the Premises.

**B. Right to Terminate.** In the event that the Premises are totally destroyed or so damaged by fire or other casualty, and the damage cannot be repaired or restored within a reasonable length of time, (as Landlord may determine in the exercise of its sole discretion) Landlord shall have the right to terminate this Lease.

**C. Right to Restore.** If the damage is partial, such that the Premises can be restored to their former condition within a reasonable time, (as Landlord may determine in the exercise of its sole discretion) Landlord may at its option, restore the Premises with reasonable promptness, reserving the right to enter upon the Premises for that purpose. Landlord reserves the right to enter upon the Premises whenever necessary to repair damage caused by fire or other casualty to the Building of which the Premises is a part, even though such entry may have the effect of rendering the Premises or some portion thereof temporarily unavailable for occupancy. In such event, the rent shall be apportioned and suspended during the time that Landlord is in possession, taking into account the proportion of the Premises rendered unavailable for occupancy and the duration of Landlord's possession. If a dispute arises as to the amount of rent due under this clause, Tenant agrees to pay the full amount claimed by Landlord, though Tenant shall retain the right to proceed by law to recover any disputed rent payment.

**D. Condemnation.** If during the term of this Lease, or any extension or renewal thereof, all of the Premises is taken for any public or quasi-public use under any law, ordinance, or regulation or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this Lease shall terminate and the rent shall be abated during the unexpired portion of the lease, effective as of the date of the taking of the Premises. If less than all of the Premises is taken for any public or quasi-public use under any law, ordinance or regulation, or by right of eminent domain, or should be sold to the condemning authority under threat of condemnation, this Lease shall not terminate unless either party, at its option, terminates the Lease by giving written notice thereof to the other party. The date of termination shall be the date the condemning authority takes title. In the event that the Lease continues in effect following partial condemnation, Landlord shall, at its sole expense, restore and reconstruct the Premises to make same reasonably tenantable and suitable for the use for which the Premises is leased. The Rent payable hereunder during the reconstruction period shall be reduced in proportion to the reduction in square footage of the Premises available for Tenant's use during the reconstruction period. Tenant hereby assigns and transfers to Landlord any claim it may have to compensation for damages as a result of condemnation proceedings; under no circumstances shall Tenant share in any such compensation for damages.

**SECTION 14. NO WAIVER OR BREACH.** Any failure or neglect by Landlord to assert or enforce any rights or remedies after any breach or default by Tenant shall not prejudice Landlord's rights or remedies with regard to any existing or subsequent breaches or defaults.

**SECTION 15. BURDEN, BENEFIT, AND APPLICABLE LAW.** This Lease shall be binding on and inure to the benefit of the respective successors and assigns of the Landlord and of Tenant. This Lease shall be construed according to the laws of the State of Florida, venue in Alachua County, Florida. This Lease may be modified only in writing signed by the parties or their respective successors in interest.

**SECTION 16. HAZARDOUS SUBSTANCES/ENVIRONMENTAL LAWS.****A. Tenant's Use and Storage of Hazardous Substances.**

The storage, use or disposal of Hazardous Substances on the Premises is hereby prohibited.

**B. Environmental Indemnity.** Without limiting Tenant's obligations under any other provision of this Lease, Tenant and its successors and assigns shall hereby indemnify, defend, protect, and hold Landlord, its officers, employees, elected officials, agents, lenders, consultants, independent contractors, and any successors to Landlord'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 Premises, the Building, or any portion thereof, and injuries to persons, property or natural resources, arising out of Tenant's breach of any provision (or representation, warranty, or covenant) contained in this Section 16 arising from, out of, in connection with, or as a consequence, directly or indirectly, of the Release or presence of any Hazardous Substances on, in, or beneath the Premises or that may have migrated from the Premises to any adjacent lands, air or water, which first occurs during the Term of this Lease, as the same may be extended by law or agreement of the parties, whether foreseeable or unforeseeable, and whether or not known to Tenant, it being understood and agreed that the foregoing indemnity includes, but is not limited to, all 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 costs of determining whether the Premises is in compliance and causing the Premises to be in compliance with all applicable Environmental Laws, all costs and fees associated with claims for damages to persons, property, or natural resources, and Landlord'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 Landlord by reason of any violation of any applicable Environmental Law which first occurs, or has first occurred, upon the Premises during the Term of this Lease, 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, this indemnity shall apply without regard to the strict liability with respect to the violation of law which results in such liability. Tenant shall comply with all Environmental Laws throughout the Term of this Lease, as the same may be extended by law or agreement of the parties. Tenant hereby covenants and agrees that all obligations of Tenant under this Section 16 shall survive any termination of the Lease, it being further understood and agreed that the rights of Landlord under this Section 16 shall be in addition to any other rights and remedies under this Lease, or otherwise available to Landlord 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.

**SECTION 17. NOISE.** Noise levels created by Tenant or its employees, agents, licensees, patrons, guests or invitees must not exceed the applicable limit as provided in Chapter 15, City of Gainesville Code of Ordinances.

**SECTION 18. TAXES.** In addition to sales tax provided at Section 4, Tenant agrees to pay all property taxes and intangible taxes assessed as a result of Tenant's operation, use and occupancy of Premises or personal property on Premises. In the event tax assessment is extended to the value of the Building or the Property due to a lease of retail space, Landlord may terminate this Lease with 10 days notice to Tenant. Payment for property taxes (based on Landlord's square footage estimate) is included in the Rent as shown on Exhibit "A". Upon receipt of its property tax bill in November of each year, Landlord will send Tenant a written statement reconciling the payments made by Tenant with the actual amount allocated to Tenant (based on square footage.) In the event the Tenant's allocation exceeds the amount paid by Tenant to that date, Tenant shall pay the Landlord the shortage amount. In the event the Tenant's allocation is less than the amount paid by Tenant to that date, Landlord shall refund the overpayment to the Tenant. The payment to Landlord or refund to Tenant shall be made within 30 days of the date of Landlord's written statement.

**SECTION 19. NON-DISCRIMINATION.** Tenant will not discriminate against any person upon the basis of race, religion, color, marital status, sex, natural origin, sexual orientation, disability or age, in either employment or with regard to services, as applicable, in accordance with any federal, state and local laws.

**SECTION 20. RELATIONSHIP WITH LANDLORD.** Tenant shall not use any trademark, service mark, trade name or other indicia of the Landlord, nor shall Tenant hold itself out as having any business affiliation with the Landlord other than a landlord-tenant relationship, and upon direction of the City Manager, the Tenant shall issue public disclaimers to that effect.

**SECTION 21. DAYS AND NOTICE.** Any reference in this Lease to days shall mean calendar days. All notices, demands or communications of any kind which may be required or desired to be served, given or made by Landlord shall be sufficient if delivered in person or sent through the United States mail, certified or registered, return receipt requested, addressed to the parties as follows:

LANDLORD:  
CITY OF GAINESVILLE  
CITY MANAGER  
P.O. BOX 490, STATION 6  
GAINESVILLE, FLORIDA 32601

TENANT:  
KJB INVESTMENT CORPORATION  
DBA THE WHISKEY HOUSE  
2915 NW 14<sup>TH</sup> PL  
GAINESVILLE, FLORIDA 32605

Either party may change the address to which subsequent notices shall be sent. Any notice given hereunder to Tenant shall be deemed delivered if it is properly addressed.

**SECTION 22. QUIET ENJOYMENT.** Tenant, upon paying the rent and performing the covenants and agreements of this Lease, shall quietly have, hold, and enjoy the Premises and all rights granted Tenant in the Lease during the term hereof.

**SECTION 23. RIGHTS AND REMEDIES CUMULATIVE.** All rights and remedies of the parties hereto shall be cumulative and shall not be construed to exclude any other rights or remedies allowed by law consistent with the terms and conditions hereof.

**SECTION 24. POSSIBILITY OF RADON GAS.** Pursuant to Florida law, Tenant is hereby advised as follows: RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department. (Section 404.056(5), Florida Statutes (2006))

**SECTION 25. SUBLETTING AND ASSIGNMENT.** The Tenant shall not sublet the Premises nor any part thereof nor assign this Lease, or any interest therein.

**SECTION 26. ENTRY.** Landlord or Landlord's agents shall have the right to enter the Premises upon reasonable notice, or immediately in the event of emergency, to examine the same

and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon the Premises that may be required without the same constituting an eviction of Tenant in whole or in part. During the three (3) months prior to the expiration date of the term of this Lease or any renewal term, Landlord may exhibit at the Premises the usual notices "TO LET" or "FOR RENT", which notices Tenant shall permit to remain thereon undisturbed. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the Premises or any part thereof, except as otherwise herein specifically provided.

**SECTION 27. BROKERS.** Tenant warrants that Tenant was not shown the Premises by any real estate broker or agent (other than a broker or agent acting on behalf of the Landlord) and that Tenant has not otherwise engaged in any activity that could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge in connection with this Lease and will indemnify the Landlord against any such claims.

**SECTION 28. INTERPRETATION.** The terms and provisions hereof shall be construed and interpreted without regard to which party may have drafted it.

**SECTION 29. SEVERABILITY.** The Lease consists of this document and any Exhibits attached hereto. If any section, sentence, clause or phrase of this Lease is held to be invalid or unenforceable by any court of competent jurisdiction, then said holding shall in no way affect the validity of the remaining portions of this Lease.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the day and year first above written.

Signed, sealed and delivered  
In the presence of the following witnesses:

**LANDLORD:**  
**CITY OF GAINESVILLE**

\_\_\_\_\_  
Witness  
Print Name:\_\_\_\_\_

\_\_\_\_\_  
Russ Blackburn, Manager

\_\_\_\_\_  
Witness  
Print Name:\_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF ALACHUA

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2014, by Russ Blackburn, as the Manager of the City of Gainesville, a municipal corporation, and who has acknowledged that he/she has executed the same on behalf of the City, and that he was authorized to do so. He is personally known to me or has produced \_\_\_\_\_ as identification.

\_\_\_\_\_  
Notary Public, State of Florida

Reviewed as to form and legality:

\_\_\_\_\_  
City Attorney's Office

**TENANT:**  
**KJB INVESTMENT CORPORATION**

Christina Parlato  
Witness  
Print Name: Christina Parlato

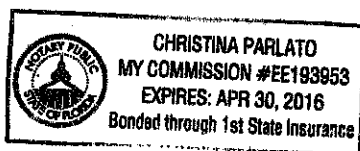
Daniel Blake Haley  
Daniel Blake Haley, President

Eric Hignall  
Witness  
Print Name: Eric Hignall

STATE OF FLORIDA  
COUNTY OF Alachua

The foregoing instrument was acknowledged before me this 24 day of Feb, 2014, by Daniel Haley, President of KJB Investment Corporation, who is personally known to me or has produced FLDL as identification.

Christina Parlato  
Notary Public, State of Florida  
Affix Stamp



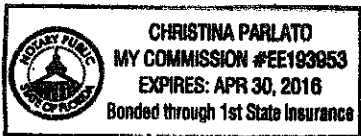
[Signature]  
Witness  
Print Name: Christina Parlato

[Signature]  
James Jackson, Secretary

[Signature]  
Witness  
Print Name: Eric Sigman

STATE OF FLORIDA  
COUNTY OF Alachua

The foregoing instrument was acknowledged before me this 24 day of Feb, 2014, by James Jackson, Secretary of KJB Investment Corporation, who is personally known to me or has produced FLDL as identification.



[Signature]  
Notary Public, State of Florida  
Affix Stamp

[Signature]  
Witness  
Print Name: Christina Parlato

[Signature]  
Kevin Hansen, Treasurer

[Signature]  
Witness  
Print Name: Eric Sigman

STATE OF FLORIDA  
COUNTY OF Alachua

The foregoing instrument was acknowledged before me this 24 day of Feb, 2014, by Kevin Hansen, Treasurer of KJB Investment Corporation, who is personally known to me or has produced FLDL as identification.



[Signature]  
Notary Public, State of Florida  
Affix Stamp

**Exhibit "A"**

**RENT SCHEDULE**

THIS RENT SCHEDULE is a material part of that certain Lease by and between the **City Of Gainesville** ("Landlord") and **KJB Investment Corporation, a Florida S Corporation** ("Tenant") for the Premises located at 60 SW 2<sup>nd</sup> Street:

Base Rent, Sales Tax, Property Taxes, and Water and Sanitary Sewer Charges

A) Premises, located at 60 SW 2 <sup>nd</sup> Street	Approx. 2,822 sq. ft.
B) Security Deposit	\$ 2,939.58
C) Lease Commencement Date	April 1, 2014
D) Initial Term	Three (3) Years
E) Rent Commencement Date	July 1, 2014
F) Lease Expiration Date	March 31, 2017
G) Monthly rent for initial three year term:	

Year 1

Base Rent	\$ 2,939.58
Florida Sales Tax @ 6%	\$ 176.37
Estimated Water & Sanitary Sewer Charges (Separately stated and "trued-up" once a year per Section 5 of Lease based on the Tenant's actual usage with no mark-up charged by the Landlord)	\$ <u>150.00</u>
TOTAL	\$ 3,265.95

Year 2

Base Rent (plus 3% annual increase)	\$ 3,027.77
Florida Sales Tax @ 6%	\$ 181.67
Estimated Water & Sanitary Sewer Charges (Separately stated and "trued-up" once a year per Section 5 of Lease based on the Tenant's actual usage with no mark-up charged by the Landlord)	\$ <u>150.00</u>
TOTAL	\$ 3,359.44

Year 3

Base Rent (plus 3% annual increase)	\$ 3,118.60
Florida Sales Tax @ 6%	\$ 187.12
Estimated Water & Sanitary Sewer Charges (Separately stated and "trued-up" once a year per Section 5 of Lease based on the Tenant's actual usage with no mark-up charged by the Landlord)	\$ <u>150.00</u>
TOTAL	\$ 3,455.72

Security Deposit	\$ 3,265.95
1 <sup>st</sup> Months Rent	\$ <u>3,265.95</u>
Total Due @ Signing	\$ 6,531.90

Total Amount Paid: \$ \_\_\_\_\_

Received by: \_\_\_\_\_

Date: \_\_\_\_\_