

HFD/lss
9/15/2015 (revised)
10/27/2015 (revised)
TK 11/02/2014
[HFD/lss 1/19/2016](#)
[HFD/lss 6/8/2016](#)

LEASE AGREEMENT AND PURCHASE OPTION

Blanche Hotel
a +/-71,500 Square Foot Commercial Multi-Tenant Space
212 N Marion Avenue
Lake City, Columbia County, Florida 32055 (“Real Property”)

THIS LEASE AGREEMENT (the “Lease”) is made and entered into this ____ day of _____, 2016~~5~~, between **BLANCHE HOTEL REDEVELOPMENT, LLC**, A Florida limited liability company, whose mailing address is 1709 A Gornto Road, PMP #343, Valdosta, Georgia 31601 (“**Landlord**”), and the **CITY OF LAKE CITY, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida, whose mailing address is 205 North Marion Avenue, Lake City, Florida 32055 (“**Tenant**” or “**City**”, as the context may require)

RECITALS

A. Landlord owns all of Block 14 of the Central Division of the City of Lake City, Florida, upon which is located a commercial multi-tenant building containing approximately 71,500 square feet and commonly referred to as the Blanche Hotel (“**Landlord’s Property**”) and which is more particularly described in survey prepared by Stephen Cody Califf, Califf Surveying & Mapping LLC. attached hereto as Exhibit “A” (the “**Survey**”). Tenant desires to lease from Landlord a portion of Landlord’s Property identified and described on the Survey, together with improvements located thereon consisting of approximately 38,550 square feet of Landlord’s Property as depicted in the attached architectural drawing of the space on Exhibit “B”, attached hereto and incorporated herein by reference, (the “**Leased Premises**” or the “**Premises**”) pursuant to the terms and conditions provided for herein.

B. The Landlord’s Property is being developed pursuant to the terms and conditions of a Development Agreement (the “**Development Agreement**”) between the [City of Lake City, Florida](#), Blanche Hotel Redevelopment, LLC, and Integrity Development Partners, LLC. dated _____, 2016~~5~~, [a copy of which is attached and incorporated herein and made a part of this Lease](#), the terms, ~~and~~ conditions, [requirements, and obligations](#) of which are by reference incorporated herein and where applicable made a part of this Lease.

C. Landlord acknowledges that the completion of the redevelopment of Landlord's Property pursuant to and in accordance with the Development Agreement is a condition precedent to this Lease becoming effective and legally binding on the City or Landlord.

In consideration of the mutual covenants contained herein, the parties agree that Landlord shall lease to and Tenant shall take from Landlord, the real property and improvements more specifically described hereafter, upon the following terms and conditions, to which the parties hereby covenant and agree:

1. Recitals. The above recitals are true and accurate and are incorporated herein and made a part of this Lease.

2. Leased Premises Description. Landlord leases to Tenant and Tenant leases from Landlord the Leased Premises, which are more particularly depicted and described in the Survey, which contains approximately 38,550 square feet, together with improvements located thereon.

3. Term. The term of this Lease shall extend for a period of fifteen (15) years, which term shall begin on the first day of month following the (a) ~~the~~ substantial completion of the construction of the redevelopment plans, including the completion of the construction of the work described in the Tenant Improvement Plan (as defined in Section 5 below; and (b) the Landlord's receipt of a certificate of occupancy issued by the City with respect to the Leased Premises (the "**Commencement Date**") and shall end and terminate at midnight on the first day of month ending fifteen (15) years after the Commencement Date (the "**Lease Term**"), unless the beginning and ending dates of the Lease Term are changed or modified under any provisions of this Lease or unless the Lease Term is otherwise extended or sooner terminated as may be provided for herein. On or before the Commencement Date, Landlord and Tenant agree to deliver to each other a certificate establishing the Commencement Date and the end of the Lease Term which certificate shall become a part of this Lease.

4. Renewal Term. Either party may terminate this Lease at the end of the Lease Term by giving the other party ninety (90) days written notice prior to the end of the Lease Term. If neither party gives notice of termination, the Lease will automatically be extended on a month-to-month basis with all terms remaining the same (the "Extension Period") except that Landlord reserves the right to increase the amount of rent at any time during the Extension Period to an amount equal to ten percent (150%) of the Rent (as defined in Section 6 below) upon delivery of written notice to Tenant thirty (30) days prior to the effective date of any increase. During the Extension Period, Tenant may terminate this Lease upon thirty (30) days written notice to Landlord and Landlord may terminate this Lease upon thirty (30) days written notice to Tenant.

5. Possession and Use. Possession shall be granted on the Commencement Date. Landlord shall not be liable for delays in the delivery of possession to Tenant. The Leased Premises may be used for any lawful purpose except that during the first seven (7) years of the Lease Term, the Leased Premises may be used ~~for~~ only for such use permitted of a "qualified business" pursuant to Section 45D(d)(3) of the Internal Revenue Code of 1986, as amended (the "**Permitted Use**"). Tenant's use and occupation shall at all times be in compliance with the ordinances of the City of Lake City, the ordinances of Columbia County, the laws of

Florida, the laws of the United States and any all applicable governmental rules and regulations.

Except as specifically set forth in this Lease and in the Tenant Improvement Plan attached hereto as **Exhibit "C"** (the "**Tenant Improvement Plan**"), Landlord shall not be obligated to provide or pay for any improvement work or services related to the improvement of the Leased Premises. All improvements to the Leased Premises by Landlord are the property of Landlord, unless and until such time Tenant exercises the Option, as defined in Section 23 hereof, and closes on the purchase of the Leased Premises as provided therein. Tenant also acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty regarding the condition of the Leased Premises, or with respect to the suitability of any of the foregoing for the conduct of Tenant's business, except as specifically set forth in this Lease, ~~and~~ the Tenant Improvement Plan, and the Development Agreement. The taking of possession of the Leased Premises by Tenant shall conclusively establish that the Leased Premises and the Building were at such time in good and sanitary order, condition and repair.

6. Rent. Commencing on the Commencement Date, Tenant shall pay a base monthly rent of Thirty-Five Thousand, Two Hundred and 92/100 Dollars (\$35,292.00) to Landlord without demand, deduction, or setoff on the first day of each month at the Landlord's office, **1709 A. GORNTO ROAD, PMB # 343, VALDOSTA, GA, 31601** (or at such other address as may be designated from time to time by Landlord in writing). Commencing on the eighth (8th) anniversary date of the Commencement Date, the rent shall be subject to adjustment pursuant to and in accordance with the provisions of paragraph 22.7 below. Landlord shall pay all state, county or municipal sales tax levied on all rent payments.

7. Repairs and Maintenance. Tenant acknowledges that Tenant has inspected the Leased Premises and that it is fit for its Permitted Use. Tenant agrees that no representations regarding the Leased Premises or the condition thereof and no promises to alter, decorate, improve, or repairs other than those included in the Tenant Improvement Plan have been or will be made by Landlord, or any broker, or their agents unless specified in this Lease. The following shall be kept in good working order and repair, normal wear and tear excepted, by either the Landlord or Tenant as follows (*Check all that apply. The sections not marked shall not be a part of this Agreement.*):

	<u>TENANT</u>	<u>LANDLORD</u>		<u>TENANT</u>	<u>LANDLORD</u>
Heating system	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Security Alarm	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Plumbing system	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Air conditioning system	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Parking area	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Electrical system/fixtures	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Driveway	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exterior walkways	<input checked="" type="checkbox"/>	<input type="checkbox"/>
*Building Exteriors	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Interior Hallways	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Smoke detector	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Lobby	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Terrace/patio	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Exterior windows	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Restrooms	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Trash Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Stairs and Elevator

Landscaping

*shall include roof

Upon written notice from Tenant, Landlord shall, within a reasonable time period thereafter, repair all defects in those facilities and systems that are the responsibility of Landlord to maintain. Tenant shall repair all defects in those facilities and systems that are the responsibility of Tenant to maintain. If Tenant does not promptly perform its maintenance and repair obligations as set forth herein, Landlord may make such repairs and/or replacements and upon notice by Landlord to Tenant, Tenant shall promptly pay the costs of said maintenance and/or repairs. Landlord shall ~~not~~ be liable to Tenant for any damage to the Leased Premises caused by any water coming through or around the roof or any exterior door, flashing, sky light, exterior vent, exterior window or the like in or about the Premises ~~of the above referenced systems or facilities or by water coming through or around the roof or any door, flashing, skylight, vent, window, or the like in or about Premises~~, except if such damage is due to the gross negligence or willful misconduct of ~~Landlord~~ Tenant. Tenant shall be responsible for the reasonable costs of repairs made necessary by the negligence or misconduct of Tenant (including Tenant's employees, agents, invitees, guests, or licensees).

8. Utilities. Tenant agrees to pay for all utilities as they are used or consumed from the Leased Premises, including gas, water, sewer, electricity, garbage, cable TV or internet services.

9. Sublet and Assignment. Tenant shall have the right to assign this Lease or sublet all or any of the Leased Premises to any person, firm or corporation whomsoever, provided that Tenant shall obtain the prior written permission of the Landlord to such assignment or sublease; and provided further, that no such assignment or sublease shall in any way relieve Tenant of any obligations, covenants or conditions hereof.

10. Right of Access. Landlord and Landlord's agents shall have the right of access to the Leased Premises for inspection, repairs and maintenance during reasonable hours with prior notice to Tenant. The Leased Premises shall be secure from any access.

11. Default.

11.1 Default of Tenant and Remedy of Landlord.

11.1.1 Tenant will be deemed in default of this Lease if Tenant abandons the Premises, violates any of the rules and regulations applicable to the Premises as set forth herein or as provided to Tenant, or otherwise fails to abide by and perform any of the obligations, terms, conditions, or provisions of this Lease, including, but not limited to, failure to pay rent or failure to reimburse Landlord for damages, repairs, or costs when due for thirty (30) days after receiving demand for performance by Landlord.

11.1.2 If the default is one that cannot reasonably be cured within thirty (30) days, Tenant will have such additional time as may be required as long as Tenant diligently pursues the remedy.

11.1.3 In the event of default by Tenant, Landlord will have the following cumulative remedies, rights, privileges, and options in addition to all other remedies now or hereafter provided by law.

11.1.4 To Accelerate All Remaining Payments that Tenant is Required to Pay Under This Lease.

(a) If Landlord accelerates as provided in this subparagraph, it shall seek another tenant for the Premises and credit any amounts received to the Tenant, less the following:

(i) The reimbursements for all expenses incurred as a result of Tenant's failure to perform its obligations under the Lease, the cost of securing another tenant, including, but not limited to, advertising and brokerage commissions.

11.1.5 Tenant shall remain liable for rents from and after any action by Landlord under a proceeding against Tenant for holding over or distress warrant, whether or not Tenant retains the right to possession of the Premises.

11.1.6 All rights and remedies available to Landlord by law or in the Lease shall be cumulative and concurrent.

~~If Tenant defaults under any term, condition or provision of this Lease, including, but not limited to, failure to pay rent or failure to reimburse Landlord for any damages, repairs or costs when due, Landlord shall have the right to terminate this Lease by giving thirty (30) days written notice to Tenant and accelerate all remaining payments that Tenant is required to pay under this Lease. These payments shall be due and payable fifteen (15) days after Tenant receives the aforementioned notice. If Landlord accelerates as provided in this subparagraph, it shall seek another tenant for the Premises and credit any amounts received to the Tenant, less the following:~~

~~———(a) reimbursement for all expenses incurred as a result of Tenant's failure to perform its obligations under the Lease;~~

~~———(b) the costs of securing another tenant, including, but not limited to, advertising and brokerage commissions; and~~

~~———(c) the costs of altering, dividing, painting, repairing, and replacing Premises to accommodate a new tenant.~~

~~Tenant shall remain liable for rents from and after any action by Landlord under a proceeding against Tenant for holding over or distress warrant, whether or not Tenant retains the right to possession of the Premises.~~

11.2 If Tenant abandons the Premises or violates any of the rules and regulations applicable to the Premises as set forth herein or as provided to Tenant, or otherwise fails to abide by and perform any of the obligations, terms, conditions or provisions of this Lease, each and any such breach shall constitute a default under this Lease. If any such default continues for ten (10) calendar days after Landlord delivers written notice of said default to Tenant, Landlord may, at his option, terminate this Lease by delivering written notice thereof to Tenant and pursue the remedy described herein.

11.3 All rights and remedies available to Landlord by law or in this Lease shall be cumulative and concurrent.

11.4 Default of Landlord and Remedies of Tenant.

11.4.1 Landlord will be deemed in default of this Lease if Landlord fails to perform or observe any agreement or condition of this Lease on its part to be performed or observed, or fails to perform or observe any agreement or condition of the Developer's Agreement, copy of which is attached hereto and made a part of this Lease, for thirty (30) days after demand for performance by Tenant.

11.4.2 If the default is one that cannot reasonably be cured within thirty (30) days, Landlord will have such additional time as may be required as long as Landlord diligently pursues the remedy.

11.4.3 In the event of default by Landlord, Tenant will have the following cumulative remedies, rights, privileges, and options in addition to all other remedies now or hereafter provided by laws:

11.4.4 To perform any act or do anything required under this Lease to be performed by Landlord.

11.4.5 To set off from the rent any sum that Tenant may reasonably incur to cure any breach of this Lease by Landlord.

11.4.6 In the event of default of the Developer's Agreement by Owner, Developer or Landlord, the rent shall be abated until such time as any breach is cured.

12. Rules and Regulations. No goods or materials of any kind or description which are combustible or would increase fire risk and no Hazardous Substance shall be kept in or placed on the Leased Premises (except for goods and materials typically found in a general office use provided that the same are limited in quantity to that normally found in such use). The term Hazardous Substance shall mean any substance which is a "hazardous substance" (as defined in

Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Super Fund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq. and as further defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Super Fund Amendments and Reauthorization Act of 1986, 42 U.S.C. § 9601 et seq.), or any other substance or material defined, designated, classified or considered as hazardous or toxic waste, hazardous or toxic material, petroleum, or a hazardous, toxic, radioactive or dangerous substance.

13. Removal of Personal Property on Termination . If Tenant fails to remove Tenant's personal property from the Leased Premises as permitted and authorized herein and under the provisions of the Development Agreement within ~~ten (10)~~ thirty (30) days after the termination of the City Lease, at the expense of Tenant, Landlord shall have the right to remove the Tenant's personal property remaining on the Leased Premises after the termination of this Lease and store it in a bonded warehouse . Tenant agrees to hold Landlord harmless for any loss resulting from Landlord's removal and storage of Tenant's personal property.

13.1 Neither Landlord nor the project~~Landlord's~~ lender ~~nor Landlord~~ shall have a security interest in any of Tenant's personal property located in the Leased Premises, including, but not limited to, furniture, fixtures, office equipment, computers, software, and Landlord and Landlord's lender shall waive any lien in favor of Landlord or Landlord's lender permitted by law and Tenant shall have the right at any time prior to or after default of the Lease to remove such personal property from the Leased Premises.

14. Estoppel Certificate. Tenant shall, from time to time, upon Landlord's request execute, acknowledge, and deliver to Landlord, within ten (10) days of such request, a certificate certifying (a) that this Lease is unmodified and in full force and effect (or if there has been modification thereof, that the same is in full force and effect as modified and stating the nature thereof); (b) that to the best of its knowledge there are no uncured defects on the part of the Landlord (or if any such defaults exist, a specific description thereof); (c) the date to which any rents or other charges have been paid in advance; and (d) any other reasonable matters requested by Landlord. Landlord and any prospective Tenant or transferee of Landlord's interest hereunder or any then existing or prospective mortgagee or grantee of any deed to secure debt may rely on such certificates.

15. Alteration and Improvements. Tenant shall not make or allow to be made any alterations, physical additions, or improvements in or to the Leased Premises which are not consistent with the standards of rehabilitation established by the Secretary of the Interior for the Project in connection with Section 47 of the Code. Further, all proposed alterations, physical additions, or improvements in or to the Leased Premises by Tenant shall not be made or allowed without first obtaining Landlord's prior written consent. Landlord may grant or withhold such consent within its reasonable discretion and may impose reasonable conditions upon its consent, which consent shall not be unreasonably withheld. All costs of any such alteration, addition, or improvement shall be borne by Tenant, unless otherwise agreed in writing.

16. Destruction of Premises.

16.1 If earthquake, fire, storm or other casualty shall totally destroy (or so substantially damage as to be untenable) the Leased Premises, rent shall abate from the date of such destruction until the Leased Premises have been rendered to Tenant in a tenantable condition by Landlord. Landlord shall have sixty (60) days to commence the restoration of the Leased Premises to a tenantable condition. If in Landlord's sole discretion restoration cannot be completed within one hundred eighty (180) days following such destruction, Landlord may, by written notice furnished to Tenant within thirty (30) days of such destruction, terminate this Lease, whereupon rent and all other obligations hereunder shall be adjusted between the parties as of date of such destruction. In the event the Landlord elects to complete such restoration, but fails to do so within one hundred eighty (180) days following such destruction, this Lease may be terminated as of the date of such destruction upon written notice from either party to the other given not more than ten (10) days following expiration of said one hundred eighty (180) day period. If such notice is not given, then this Lease shall remain in force and rent shall commence upon delivery of Premises to Tenant in a tenantable condition.

16.2 If the Leased Premises is damaged but not rendered wholly untenable by earthquake, fire, storm, or other casualty, rent shall abate in such proportion as the Leased Premises have been damaged and Landlord shall restore the Leased Premises as reasonably quickly as practicable whereupon full rent shall commence.

16.3 Rent shall not abate nor shall Tenant be entitled to terminate this Lease if the damage or destruction of the Leased Premises, whether total or partial, is the result of the negligence of Tenants, its contractors, employees, agents, invitees, guests, or licensees.

17. Property Loss; Insurance. Storage of personal property by Tenant shall be at Tenant's risk and Landlord shall not be responsible for any loss or damage. Tenant shall be responsible to insure Tenant's personal property against loss or damage. Landlord shall not be responsible for any damage to Tenant's property, unless such damage is caused by Landlord's gross negligence or willful misconduct. Tenant agrees that during the term of the Lease, Tenant shall, at Tenant's sole cost and expense, procure and maintain the following types of insurance:

17.1 A policy of commercial general liability insurance (sometimes known as Broad Form Comprehensive General Liability Insurance), insuring Tenant against liability for bodily injury, property damage (including loss of use of property) and personal injury arising out of the operation, use or occupancy of the Leased Premises in amount not less than \$1,000,000.00 per occurrence and naming Landlord as an additional insured thereunder. The liability insurance obtained by Tenant under this Section shall, in addition to all other coverage, insure Landlord against Tenant's performance of all indemnifications of Landlord provided under this Lease to the extent that the matters giving rise to such indemnity result from the negligence of Tenant. ~~The amount and coverage of such insurance shall not, however, limit Tenant's liability nor relieve Tenant of any other obligations under this Lease;~~

17.2 Fire and extended coverage casualty insurance with respect to all of Tenant's personal property at any time located in or upon the Leased Premises, including, without limitation, all of Tenant's equipment, furniture, fixtures, inventory and leasehold improvements,

in an amount not less than the full replacement value thereof, without deduction for depreciation;

17.3 Worker's compensation insurance as required by applicable law; and

17.4 Landlord, at its sole cost and expense, shall procure and maintain policies of insurance as provided in and required by the Development Agreement. ~~Such other types and forms of insurance, and in such amounts, as Landlord may from time to time request or require.~~

18. Taxes. Tenant shall pay any and all taxes, if any (including assessments and license fees), assessed or imposed upon Tenant's fixtures, furniture, appliances, and personal property located in the Leased Premises. Landlord shall pay all ad valorem taxes and special assessments levied and imposed upon the Leased Premises.

19. Lender Provisions

19.1 Subordination. This Lease shall be subordinate to ~~all~~ owner's lender's mortgages of record against the Premises, and/or the Landlord's Property, subject nevertheless to the rights of Tenant under this Lease with respect to Tenant's right to remove its personal property at any time from the Leased Premises and Tenant's Option to purchase the Leased Premises. In the event Landlord's lender's mortgage is modified, amended or renewed, copies of such amendment, modification or renewal shall be provided to Tenant, together with a copy of any other mortgage given by Landlord to any lender which is secured by the Leased Premises and assignment of this Lease so that Tenant may ascertain that any such mortgage shall contain the provisions provided for in Section 1(c) of the Development Agreement relating to Landlord's obligations to grant Tenant an option to purchase the Leased Premises and a provision affirming that Landlord shall have no security interest in any of Tenant's personal property. This subordination shall be automatic and no further instrument of subordination shall be necessary. ~~Upon the written request of Landlord or of any mortgagee of Landlord, Tenant will from time to time in writing subordinate its rights hereunder to the interest of the lien of any mortgage now or hereafter in force against the land and any building of which the Premises are a part, and to all advances made or hereafter to be made upon the security thereof. Such written subordination shall be based on the form required by the party requesting such document, to execute and deliver such document within ten (10) days from Tenant's receipt of a request for the same. If the mortgagee or beneficiary of any mortgage upon the Premises should at any time require that Tenant's rights hereunder be senior and superior to the lien of such mortgage or deed of trust, Tenant agrees that such mortgagee or beneficiary may, without the signature or further consent of Tenant, execute and place of record an instrument subordinating the lien of such mortgage or deed of trust to the rights of Tenant hereunder, provided that Tenant shall be furnished a copy of such instrument, together with the pertinent recording information.~~

19.2 Nondisturbance and Attornment. In the event any proceedings are brought for foreclosure or to exercise the power of sale under any mortgage made by Landlord covering the Premises, Tenant shall attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease whether or not a subordination is effected by any mortgagee or beneficiary of any mortgage pursuant to Section 19.1 above, provided such

purchaser shall agree to accept this Lease and not disturb Tenant's occupancy, so long as Tenant timely pays Rent and timely observes and performs the terms, covenants and conditions of this Lease to be observed and performed by Tenant.

19.3 Notices. Tenant agrees to give any mortgagees, by certified mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified, in writing by way of Notice of Assignment of Rents and Leases, or otherwise) of the address of such mortgagees. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days, any mortgagee has commenced and is diligently pursuing the remedies necessary to cure such default (including, but not limited to, commencement of foreclosure proceedings, if necessary to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

~~19.4 Amendments. Notwithstanding anything to the contrary expressed in this Lease, Tenant agrees to amend or modify this Lease in any particulars as may be reasonably required by any mortgagee of Landlord so long as any such amendments or modifications do not alter the substantive rights of Tenant herein and so long as Landlord has agreed to the same.~~

20. Condemnation.

20.1 Total Condemnation. If all of the Leased Premises is taken or condemned by any authority other than the City having the power of eminent domain, or if a material portion of the Leased Premises is so taken or condemned and the remaining portion is not usable by Tenant for the purposes stated herein, this Lease shall terminate as of the earlier of the date title to the condemned real estate vests in the condemnor or the date on which Tenant is deprived of possession of the Leased Premises. In such event, the rent shall be apportioned and paid in full by Tenant to Landlord through that date, all rent prepaid for periods beyond that date shall be repaid by Landlord to Tenant, and neither party will thereafter have any liability hereunder, except that any obligation or liability of either party, actual or contingent, under this Lease which has accrued on or prior to such termination date shall survive.

20.2 Partial Condemnation. If only part of the Leased Premises is taken or condemned by an authority other than the City with the power of eminent domain and this Lease does not terminate pursuant to Section 20.1, Landlord shall, to the extent of the award it receives, restore the Leased Premises to a condition as nearly comparable as reasonably practicable to the condition thereof immediately prior to the taking, and there shall be an equitable adjustment to the rent based on the actual loss of use of the Leased Premises suffered by Tenant from the taking.

20.3 Award. Any award received by Landlord as a result of the condemnation of the Leased Premises shall be apportioned equitably between Landlord and Tenant based upon each party's respective interest in the Leased Premises. To the extent that Landlord and Tenant

cannot agree to the equitable apportionment of the award, the parties agree herein that the court having jurisdiction of the condemnation proceeding shall determine the apportionment of the award between the parties. Nothing contained herein shall be deemed to prohibit Tenant from making additional and separate claims against the condemnor to the extent permitted by law.

21. Landlord's Liability.

21.1 Waiver and Release. Landlord shall not be liable for, and Tenant hereby expressly waives and releases Landlord from liability with respect to, any damage or injury to the person, business, goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers or any other person in or about the Leased Premises, whether such damage or injury is caused by or results from: (i) fire, steam, electricity, water, gas or rain; (ii) the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; (iii) conditions arising in or about the Leased Premises or upon other portions of the Premises, or from other sources or places; or (iv) any act or omission of Tenant or any other person or party. Provisions of this Section shall not, however, exempt Landlord from liability for damage or injury resulting from affirmative acts of gross negligence or willful misconduct by Landlord or Landlord's employees, officers or agents. The term "Landlord" as used in this Lease shall be deemed to mean only the current owner or owners of the fee title to the Premises. Landlord is obligated to perform the obligations of Landlord under this Lease only during the time such Landlord owns such interest or title, and any Landlord who transfers its title or interest shall be and hereby is relieved of and released from all liability with respect to the obligations of Landlord under this Lease to be performed after the date of such transfer.

21.2 Landlord's Exculpation. Landlord's obligations and liabilities to Tenant with respect to this Lease shall be limited solely and exclusively to Landlord's interest in the Leased Premises, and neither Landlord nor any of the members of Landlord (solely in their capacity as members of Landlord), nor any officer, director, shareholder, partner or member of either Landlord or any member of Landlord, shall have any personal liability to Tenant or to others with respect to this Lease. If Landlord, or its assigns, sells, exchanges or otherwise transfers all of its right, title and interest in and to the Leased Premises, then, and in such event, Landlord shall be relieved of all further obligations hereunder and Tenant shall look solely to the ~~Tenant or~~ assignee.

22. Other Provisions.

22.1 Time of Essence: Time is of the essence of this Lease.

22.2 No Waiver: Any failure of Landlord to insist upon the strict and prompt performance of any covenants or conditions of this Lease or any of the rules and regulations set forth herein shall not operate as a waiver of any such violation or of Landlord's right to insist on prompt compliance in the future of such covenant or condition, and shall not prevent a subsequent action by Landlord for any such violation. No provision, covenant or condition of this Lease may be waived by Landlord unless such waiver is in writing and signed by Landlord.

22.3 Entire Agreement: This Lease and any attached addenda constitute the entire Agreement between the parties and no oral statement or amendment not reduced to writing and signed by both parties shall be binding. This Lease shall not be binding upon the Tenant until executed by the Mayor of the City of Lake City and approved by the City Attorney for legal sufficiency.

22.4 Attorney's Fees and Costs of Collection: In connection with any enforcement action to enforce the provisions and the rights granted by this Lease, or should litigation arise out of this Lease, the prevailing party, whether Landlord or Tenant, shall be entitled to recover all expenditures, including reasonable attorney's fees and legal assistant fees for services rendered in connection therewith, including appellate proceedings and post-judgment proceedings.

22.5 Indemnification: Landlord and Tenant will each indemnify, defend and save harmless the other party and the other party's employees, agents, and contractors (the "Indemnified Parties") from and against any and all loss, damage, claim, demand, liability, or expense (including reasonable attorneys' fees) resulting from claims by third parties and based on any acts or omissions (specifically including negligence and the failure to comply with this Lease) of the indemnitor, its employees, agents, and contractors in connection with the redevelopment of the Project and only to the extent caused in whole or in part by acts or omissions of the indemnitor, its employees, agents, and contractors, regardless of whether the claim is caused in part by any of the Indemnified Parties. The indemnitor has the right to assume the defense of any claim covered by this indemnity on behalf of both itself and the Indemnified Parties, provided that the attorneys selected by the indemnitor to handle the defense are reasonably satisfactory to the Indemnified Parties and the representation will not result in a conflict of interest for the attorneys. The Indemnified Parties may not settle any claim covered by this Indemnification article without the consent of the Indemnitor. When any claim is caused by the joint acts or omissions of the indemnitor and the Indemnified Parties, the indemnitor's duties under this article will be in proportion to the indemnitor's allocable share of the joint liability. This Indemnification article will not be construed to restrict, limit, or modify either party's insurance obligations under this Lease. Either party's compliance with the insurance requirements under this Lease or the Developer Agreement will not restrict, limit, or modify that party's obligations under this Indemnification article.~~Tenant agrees to indemnify and hold harmless Landlord against any and all injuries, damages, losses, suits and claims against Landlord arising out of or related to (a) Tenant's failure to fulfill any condition of this Lease; (b) any damage or injury happening in or to the Leased Premises or to any improvements thereon as a result of the acts or omissions of Tenant or Tenant's family members, invitees or licensees; (c) Tenant's failure to comply with any requirements imposed by any governmental authority; (d) any judgment, lien or other encumbrance filed against the Leased Premises as a result of Tenant's actions and any damage or injury happening in or about Premises to Tenant or Tenant's family members, invitees or licensees (except if such damage or injury is caused by the intentional wrongful acts of Landlord) and Tenant covenants not to sue Landlord with respect to any of these matters.~~

22.6 Survey. Landlord shall provide an "as built" survey of the Leased Premises prepared by a Florida licensed surveyor and shall locate all improvements thereon and shall be certified to Landlord, Tenant, and Tenant's title insurance company and to other parties required

by Landlord and Tenant. The survey shall also contain a complete and accurate legal description of the Leased Premises.

22.7 Consumer Price Index Adjustments. Commencing on the eighth (8th) anniversary date of the Commencement Date (the "Adjustment Date") the base monthly rent shall increase by the percentage amount (the "Index Adjustment Multiplier"), if any, the Consumer Price Index as of month ended immediately prior to the Commencement Date (the "Base Index): has increased over the Consumer Price Index as of the month ended immediately prior to the Adjustment Date (the "Adjustment Date Index"). For illustrative purposes, the Index Adjustment Multiplier shall be the amount the Adjustment Date Index exceeds the Base Index, divided by the Base Index. The term "Consumer Price Index" shall mean the Consumer Price Index for All Urban Consumers: U.S. City Average for All Items (1997=100) as published by the United States Department of Labor, Bureau of Labor Statistics. However, in no event shall the rent be increased more than ten percent (10%) over the remainder term of this Lease.

22.8 Radon Gas. Notification Pursuant to the requirements of Fla. Stat. §404.056(8), the following notice is given:

RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

By giving the foregoing notice, Landlord does not, in any way, represent or imply that radon gas exists in the Leased Premises, and Landlord warrants and represents that Landlord has no knowledge as to whether there is, or is not, any radon gas present in the Leased Premises.

22.9 No Partnership: Tenant, by execution of this Lease, is not a partner of Landlord in the conduct of its business or otherwise, or joint venture or a member of any joint enterprise with Landlord.

22.10 Recordation: Either Tenant or Landlord at its discretion may record in the public records of Columbia County, Florida, this Lease or a short form notice of this Lease

22.11 Notices: All notices required or permitted by this Lease relating to any issue shall be in writing and if intended to Landlord shall be addressed to Blanche Hotel Redevelopment, LLC, 1709 A Gornto Road, PMB #343, Valdosta, Georgia 31601, and if intended for Tenant shall be addressed to City Manager, City of Lake City, Florida, 205 North Marion Avenue, Lake City, Florida 32055. All notices to either party may be delivered by either (a) in person, receipted for by the person to whom it is delivered; (b) by a prepaid overnight delivery service; (c) by facsimile transmission; or (d) by the United States Postal Service, postage prepaid, registered or certified return receipt requested.

22.12 Governing Law and Venue: This Agreement may be signed in multiple counterparts and shall be governed by and interpreted pursuant to the laws of the State of Florida. Any litigation to enforce any of the provisions of this Lease shall be filed in the Circuit Court of Columbia County, Florida.

23. Purchase Option. Tenant is granted an option to purchase (the "Option") the Leased Premises (the "Land and Improvements") which Option may be exercised by Tenant by notice to Landlord pursuant to Section 22.11 herein at any time from and after the beginning of the eighth (8th) year of this Lease through the end of the Lease Term for a purchase price equal to the Fair Market Value as established by a Florida Licensed Appraiser holding a MAI certification mutually selected by Landlord and Tenant. Upon the exercise of the Option by Tenant, this Section 23 will automatically constitute a contract between Landlord and Tenant for the sale and purchase of the Leased Premises upon the terms and conditions set forth herein ~~The closing~~-(the "Closing").

23.1 The Closing Date. The Closing Date will be on or before the ~~ninetieth (90th)~~ one hundred eightieth day following Tenant's exercise of the Option unless extended by Tenant for a period not to exceed sixty (60) days. The Closing Date, and the time and place of the Closing will be designated by Tenant and notice thereof will be given to ~~L~~andlord not less than one (1) day prior to the designated Closing Date. Tenant will designate the attorney who will conduct the Closing (hereinafter referred to as the "Closing Attorney"), and the said Closing Attorney will represent Tenant at the Closing.

23.2 Tenant's Title Insurance. Tenant shall, upon Tenant's notice of exercising the Option, obtain at Tenant's sole cost and expense a commitment for title insurance issued by First American Title Insurance Company, agreeing to issue to Tenant upon closing, a title insurance policy in the amount of the purchase price insuring Tenant's title as good and marketable and free and clear of all encumbrances.

~~23.32~~ Closing Costs. Prior to or at the Closing, Landlord and Tenant will respectively pay the following costs:

23.~~23~~.1 Expenses of Landlord. Landlord will pay the following expenses:

(a) The cost of paying off and satisfying any mortgage indebtedness for which the Property are pledged as security, together with any and all other liens, judgments, and claims against the Property made by third parties, including any state or federal regulatory agencies.

(b) All other costs actually incurred by Landlord.

23.~~23~~.2 Expenses of Tenant. Tenant will pay the following expenses:

(a) Fees and expenses of Tenant's attorney.

(b) Premiums for any title insurance.

(c) Transfer taxes and costs associated with the preparation and recordation of the limited warranty deed

(d) The costs and expenses of any survey obtained by Tenant; and

(e) Any other costs and expenses actually incurred by Tenant.[kml](#)

23.34 Prorated Items. All ad valorem taxes and assessments for the year in which the Closing occurs, which on the Closing Date are or may become liens on the Property, will be prorated as of the Closing Date.

23.45 Deliveries at Closing. At the Closing, Landlord and Tenant will each deliver to the other the following:

23.45.1 Delivery by Tenant to Landlord. At the Closing, Tenant will:

(a) Tender to Landlord the Purchase Price in the manner set forth in the provision numbered 23.56 below.

~~(b) — Deliver to Landlord full cancellations and full satisfactions of the promissory note, any collateral and other documents evidencing the City Financial Accommodation (as defined in the Development Agreement) to the Landlord;~~

23.45.2 Delivery by Landlord to Tenant. At the Closing, Landlord will properly execute and deliver to Tenant the following:

(a) A limited warranty deed, naming as Grantee therein the Tenant, and conveying to Tenant good, marketable and insurable fee simple title to the Property, free and clear of all title defects, except easement, restrictive covenants and agreements of record.

(b) An owner's affidavit executed by landlord or the appropriate representative of Landlord in a form satisfactory to Tenant and sufficient to enable Tenant to have deleted from its policy of title insurance any exception for unfiled mechanics' and materialmen's liens and to permit the issuance of a title insurance policy at the Closing.

(c) Such resolutions or other documents as Tenant will reasonably request to evidence and to confirm Landlord's power and authority to execute and deliver this Agreement and all of the agreements, instruments and documents contemplated herein to be executed and delivered by Landlord.

(d) Mortgage cancellations or quitclaim deeds executed by and releasing all the interest in and claims to the Leased Premises of any lenders or mortgagees.

(e) Any applicable IRS forms such as Forms 1099 and 8283.

23.45.3 Other Documents. In addition to all documents, instruments and agreements expressly provided for herein, Tenant and Landlord will execute such other documents as may be reasonably required by counsel for either party to effectuate the purposes of this Agreement.

23.56 Payment of the Purchase Price. At the Closing, Tenant will wire to the title insurance company the amount of the Purchase Price. The title insurance company will prepare and issue checks drawn on the said escrow or trust account as necessary for the payment of the expenses of Landlord referenced in the provisions numbered 23.2.1 (a) and (b) above and any other expenses of Landlord as necessary in order to fulfill the requirements of the title insurance commitment referenced above or as provided herein. The title insurance company will deduct the sum of those expenses from the sum of the Purchase Price and will prepare and issue to Landlord a check drawn on its account or, upon the written instruction of Landlord, issue a wire order to the account of Landlord's choice and at Landlord's cost, in an amount equal to the difference between those two sums.

23.6 Merger of Lease on Closing. If Tenant exercises the option to purchase the Leased Premises and closes on the purchase of the Leased Premises, this Lease shall merge with the purchase of the property and all rent shall terminate.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have set their hand and seal the day and year first written above.

Witness as to Landlord

Witness as to Landlord

LANDLORD:

BLANCHE HOTEL REDEVELOPMENT, LLC,
a Florida limited liability company

By: _____(SEAL)

Name: Rhett J. Holmes

Title: Manager

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____ 2015 by (Name and title of officer) of Blanche Hotel Redevelopment, LLC, a Florida limited liability company, on behalf of the company. He/she is personally known to me or has produced (type of identification) as identification.

(Signature of person taking acknowledgment)

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

TENANT:

Witness as to Tenant

CITY OF LAKE CITY, FLORIDA,
a municipal corporation organized and existing
under the laws of the State of Florida

Witness as to Tenant

By: _____(SEAL)

Name: STEPHEN M. WITT

Title: Mayor

Attest: _____(SEAL)

Name: AUDREY E. SIKES

Title: City Clerk

(SEAL)

STATE OF FLORIDA

COUNTY OF COLUMBIA

The foregoing instrument was acknowledged before me this ___ day of _____ 2015 by STEPHEN M. WITT and AUDREY E. SIKES, as Mayor and City Clerk respectively of the **CITY OF LAKE CITY, FLORIDA**, a municipal corporation organized and existing under the laws of the State of Florida, for and on behalf of the City, who are personally known to me or has produced (type of identification) as identification.

(Signature of person taking acknowledgment)

(Name typed, printed or stamped)

(Title or rank)

(Serial number, if any)

EXHIBIT "A"

SURVEY

EXHIBIT "B"

ARCHITECTURAL DRAWING

EXHIBIT “C”

TENANT IMPROVEMENT PLAN