

COMMERCIAL LEASE WITH OPTION TO RENEW

THIS LEASE made this 18th day of December, 1998, by and between KENNETH R. WALTERS and JUDITH R. WALTERS, hereinafter referred to as "Lessor" and NASSAU COUNTY, FLORIDA, hereinafter referred to as "Lessee".

W I T N E S S E T H

That in consideration of the sum of Ten Dollars (\$10.00) and other valuable considerations, the receipt in hand whereof is hereby acknowledged, and in consideration of the mutual covenants herein contained on the part of the Lessor and the Lessee, the Lessor does hereby lease and demise to the Lessee the following described property situate, lying and being in Nassau County, Florida, to-wit:

LOT 8, YULEE SOUTH, according to the plat thereof recorded in Plat Book 5, Page 244 of the public records of Nassau County, Florida, hereinafter referred to as "Premises".

TO HAVE AND TO HOLD the said premises unto the said Lessee for a TWELVE month term beginning December 15, 1998 and ending December 15, 1999, upon the following terms and conditions:

1. **Rent:** Lessee shall pay to the Lessor in the amount of \$2,450.00 per month plus sales tax (if applicable), due in advance on the fifteenth day of each and every month during the term hereof. Failure to pay the rent or applicable sales tax in accordance with the Florida Prompt Payment Act within 45 days of the due date shall be considered a material default of this Lease and option to renew.

2. **Sales Tax:** Lessee shall, in addition to the aforesaid rent, pay to Lessor with each and every aforesaid rent payment such sales or use tax (if applicable) as may be imposed by the State of Florida or any other governmental body from time to time during the term hereof on the privilege of renting the aforesaid property (currently 7%). Lessor will remit the sales tax (if applicable) to the Department of Revenue of the State of Florida within the time required by law.

3. **Lessee's Covenants:**

- A. Lessee may use the leased premises for the conduct of any lawful purpose.
- B. Lessee shall not make any unlawful use of the leased premises, nor permit same or any part thereof to be used.
- C. Lessee may sublet the leased premises or any part thereof, with Lessor's prior written consent. Lessor's consent shall not be unreasonably withheld or delayed. The Sublessee must personally guarantee performance of the lease. No assignment or sublet of this Lease or any part thereof shall relieve Lessee from its obligations under this Lease.
- D. Lessee shall at the termination of the Lease, by whatever reason, quietly and peaceably surrender and deliver the leased premises and every part thereof to Lessor, including all additions, fixtures and improvements thereon, in as good a state and condition as received at the beginning of the lease term, ordinary wear and tear excepted.
- E. Lessee shall keep and maintain, at its own cost, during the continuance of the Lease, all of said demised premises and property including any buildings and improvements thereon in good condition, save and except those items as outlined

in Attachment "A" as prepared by the Maintenance Supervisor.

- F. Lessee shall pay all charges for gas, electricity, power, lights and/or other utilities used on or in connection with the demised premises prior to delinquency.
- G. Lessee shall indemnify, save and hold harmless the Lessor from all loss, damage, or injury to person or property, suffered or sustained in and about the said premises, as long as this Lease shall be in force (but this provision shall not, in any event, be construed so as to render the Lessor liable for any such loss, damage or injury); and Lessee agrees to and shall pay for and carry property and public liability insurance in a solvent company authorized to do business in the State of Florida in an amount of not less than One Million Dollars (\$1,000,000.00) for personal injury and One Hundred Fifty Thousand Dollars (\$150,000.00) for property damage for the protection of the Lessor and to furnish Lessor with a copy or certificate of said insurance policy.

Immediately upon taking possession of the premises Lessee shall deliver to Lessor the binders or duplicate policies of certificates of the insurers evidencing all the insurance which is then required to be maintained by Lessee hereunder, and Lessee shall, within thirty (30) days prior to the expiration of any such insurance, deliver other binders or duplicate policies or other certificates of insurance evidencing the renewal of such insurance. Should Lessee fail to effect, maintain or renew any insurance provided for in this paragraph, or to pay the premium

thereof, or to deliver to Lessor any of such policies or certificates, then and in any of the events Lessor, at its option, but without obligation so to do, may procure such insurance and any sums expended by it to procure any such insurance, together with interest thereon at ten percent (10%) per annum from the date of payment by Lessor to date of reimbursement by Lessee, shall be additional rent hereunder and shall be repaid by Lessee within five (5) days after receipt of bills therefor from Lessor.

Lessee shall not obtain or carry separate insurance concurrent in form or contributing in the event of loss with that required in this paragraph to be furnished by Lessee unless Lessor is included therein as a named insured, with loss payable as in this Lease provided. Lessee shall immediately notify Lessor whenever any such separate insurance is obtained and shall deliver the policy or policies or certificate evidencing the same.

- H. Lessee shall, at its expense, do all things necessary to comply with all governmental rules and regulations which may apply to or affect its or any other person's use of the leased premises during the term hereof.
- I. Lessee shall, at its expense, obtain and keep in force during the term hereof, insurance for fire and other insurable casualties with respect to the buildings located on the leased premises, such insurance coverage to be in the amount of not less than Two Hundred Thousand Dollars (\$200,000.00). Lessee shall cause Lessor to be provided with a copy or certificate of the policies evidencing that such insurance is in effect and such policies shall name

Lessee and Lessor as the loss payee and provide for both parties to receive any notice of proposed cancellation thereof.

4. **Destruction of Premises:** In the event the premises shall be destroyed or so damaged or injured by fire or other casualty during the life of this Agreement, whereby the same shall be rendered untenable, then the Lessor shall have the right to render the premises tenantable by repairs within one hundred twenty (120) days therefrom. Notice shall be given to Lessee within twenty (20) days of intention by Lessor as to rendering the facility tenantable within one hundred twenty (120) days or not. If the premises are not rendered tenantable within that time, it shall be optional with either party hereto to cancel this Lease, and in the event of such cancellation, the rent shall be paid only to the date of such fire and casualty. The cancellation herein mentioned shall be evidenced in writing.

5. **Lessor's Covenants.** Lessor is the sole owner of the leased premises and has full right and authority to lease same upon the terms specified herein. Lessor hereby covenants and agrees that on the performance by the Lessee of each and every, all and singular, of the covenants, conditions, stipulations and agreements hereinabove and hereinafter set forth on the part of the Lessee to be kept and performed, the Lessee may quietly and peacefully have, hold, possess, and enjoy all and singular the above described premises during the aforesaid term of this Lease without any interruption by the Lessor or any other person whomsoever, claiming by, through or under it. Provided, that upon the breach of any of the covenants, conditions, or stipulations hereinabove or hereinafter contained to be kept and

performed by the said Lessee, the Lessor may immediately, at their option, after notice as hereinafter set forth, re-enter and take possession of the leased premises and property, and thereupon the terms of this Lease shall be terminated, and said Lessee shall ipso facto become a tenant at sufferance. Lessor further covenants to address the items set forth in Attachment "A" and their failure to do so will be considered a breach of the lease and Lessee may take appropriate action.

6. **Further Covenants, Conditions, Stipulations and Agreements.**

A. If Lessee shall fail to pay to Lessor any sum of money or any part thereof, pursuant to the Florida Prompt Payment Act, or if Lessee shall fail to comply with or abide by any of the provisions or stipulations in the Lease or its part, and has not cured said default or commenced the curing of such default within thirty (30) days after written notice to Lessee and diligently prosecuted such cure to completion, Lessor may, at their option, exercise any one or more of the following remedies:

1. Lessor may declare as immediately due and payable the whole rent remaining unpaid for the entire term covered by this Agreement and the same shall thereupon become immediately due and payable, anything herein to the contrary notwithstanding.
2. Lessor may terminate this Agreement and may re-enter and take possession of the leased premises.
3. Lessor may re-enter and take possession of the leased premises and sublet the same for the account of Lessee, applying all rents received by them as the

result of any such subletting to the credit of Lessee on all rents thereafter accruing, but such re-entry and subletting by Lessor shall not relieve Lessee of its obligation to pay the rents herein provided for, but Lessee shall remain liable therefor and shall pay to Lessor as and when the installments of rent herein provided for shall become due, the difference between the rent herein agreed to be paid by Lessee and the rent received by Lessor as a result of such subletting.

- B. The Lessor, or their agents, may, at any reasonable time, after reasonable notice enter to view the leased premises and may, subject to the terms of this Lease, show the premises to prospective tenants after the renewal option has expired.
- C. In no case shall the Lessor be liable to the Lessee or any other person or persons, for any injury, loss and/or damage to any person, persons or property on the premises hereby demised, or any equipment located thereon, nor for any damage whatever which may be caused from an overflow or faulty operation of sewers, nor for any nuisance made or suffered on the premises, nor for faulty construction of said premises, whether the same is caused by or results from the carelessness, negligence or improper conduct of any other tenant, employees of such tenants, or any combination thereof, or otherwise the Lessee hereby expressly assumes all risk for any such damage.
- D. This Lease is expressly made subject and subordinate to all mortgages heretofore or hereafter placed by Lessor upon

property of which the demised premises are a part. It is a condition, however, to any such subordination on its part to be kept and performed under the terms of this Lease, its tenancy will not be disturbed. Lessor warrants that it is the owner of the property, and that there is currently no encumbrance thereon.

E. The waiver by Lessor of any breach hereof on the part of the Lessee, or the indulgence by Lessor as to the payment, or time of payment, of any installments of rent at any time, or from time to time, shall not be deemed, held or construed as a waiver of any subsequent breach, or imply any future indulgence.

F. All repairs to the leased premises by Lessee shall be done in a workmanlike manner, and in accordance with the applicable requirements of all governmental authorities having jurisdiction over said premises. Lessee shall pay promptly for all labor and materials furnished in connection therewith, and shall not suffer or permit any lien therefor to be affixed on said premises or any part thereof, or any equipment therein. Such improvements, if so attached as to become an integral part of and so as not to be removable without material damage to said premises shall become a part of the realty and remain the property of Lessor. Anything herein to the contrary notwithstanding, before any such repairs or improvements are made by Lessee, it shall first submit plans and specifications thereof to Lessor, and obtain from Lessor written consent to the making of such alterations, additions and improvements. Lessor agrees to consent to

such alterations, additions and improvements as may be reasonably required by Lessee. If Lessor does not object to any proposed alterations, additions or improvements within ten (10) days after receipt of notice and plans for such alterations, additions or improvements, Lessor shall be deemed to have consented thereto.

7. **Security.** The Lessee hereby pledges and assigns to the Lessor all the furniture, fixtures, goods and chattels of the Lessee, which shall or may be brought or put on the premises as security for the payment of the rent herein reserved, and the Lessee agrees that the lien may be enforced by distress foreclosure or otherwise at the election of the Lessor, and does hereby agree to pay a reasonable attorney's fee, together with all costs and charges therefore incurred or paid by the Lessor.

8. **Condemnation.** The parties expressly agree that they are not aware of any action or proposed action of eminent domain which would effect the leased premises, but if the whole of the leased property of such portion thereof as will make the Lease property unsuitable for the purpose leased is condemned for any public use or purpose, then in either of such events this Lease shall cease from the time when the Declaration of Taking is filed by such public authority and rental shall be accounted for and prorated between Lessor and Lessee as of the date of surrender of possession. No part of any award for the property shall belong to the Lessee, but Lessee shall have the right to make a separate claim for the value of Lessee's personal property and moving and relocation expenses and other special damages. Such separate claim

by the Lessee shall not reduce or adversely effect the amount of the Lessor's award.

9. **Option to Renew.** The Lessee shall have the option to renew this Lease for two additional one-year terms upon the same terms and conditions so long as the Lessee is not in default of the terms of this Lease. To exercise the renewal term(s) the Lessee shall give the Lessor at least sixty days written notice of its intent to renew prior to the expiration of the Lease.

10. **Signs.** It is hereby understood and agreed that any signs of advertising to be used in connection with premises leased hereunder shall be first submitted to the Lessor for approval before installation of same.

11. **Attorney's Fees.** In the event any dispute arises between the parties hereto that results in litigation, the prevailing party in such litigation shall recover all costs of such litigation including reasonable attorney's fees.

12. **Counterparts.** This Agreement may be exercised in two or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute but one and the same Lease.

13. **Complete Agreement.** This Agreement constitutes the complete Agreement between the parties. All prior negotiations are merged into this Agreement.

14. **Radon Gas.** Radon is 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 the county public health unit.

15. **Miscellaneous.** This Lease, and all its terms, shall be binding and insure to the benefit of the successors, assigns, heirs, and other legal representatives of all the parties hereto. Headings are inserted herein for convenience of reference only and shall have no bearing on interpreting any provisions herein. This Lease shall be construed and enforced in all respects under and according to the laws of the State of Florida.

16. **ATTACHMENT "A".** The provisions of Attachment "A" shall be a part of this Lease and the terms thereof shall be binding on the parties and not merged with the signing of the Lease. The parties further agree that Attachment "A" accurately addresses the condition of the building.

17. **COVENANT TO BUDGET AND APPROPRIATE.** Lessee acknowledges that the term of this Lease exceeds the fiscal year and therefore covenants to budget and appropriate monies to fund the payment of said lease.

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

WITNESSETH:

LESSOR:

Joni J. Branan
Joni J. Branan
Printed name of witness

Kenneth R. Walters
KENNETH R. WALTERS

Joan M. Gagnon
JOAN M. GAGNON
Printed name of witness

Joyce T. Bradley
Joyce T. Bradley
Printed name of witness

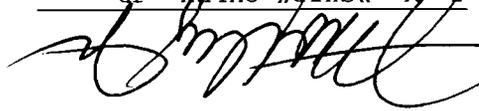
Judith R. Walters
JUDITH R. WALTERS

Joni J. Branan
Joni J. Branan
Printed name of witness

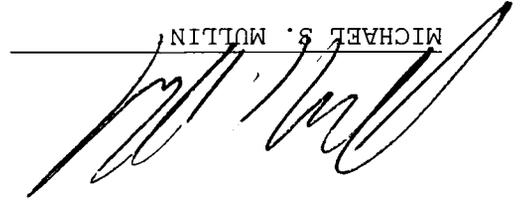
LESSOR
BOARD OF COUNTY COMMISSIONERS
NASSAU COUNTY, FLORIDA

J. H. COOPER
Its: Chairman


ATTEST:

J. M. "CHIP" OXLEY, JR.
Its: Ex-Officio Clerk


Approved as to form by the
Nassau County Attorney:

MICHAEL S. MULLIN




**NASSAU COUNTY
MAINTENANCE DEPARTMENT**

191 Nassau Place, Yulee, FL 32097
(904) 277-7214
Fax: (904) 277-7213

ATTACHMENT "A"

Daniel Salmon, Kenneth Walters and Lessie Mosher conducted a walk-through review of the property located at So. S.R. 208 Hwy. 17, Yulee on Thursday, December 17, 1998 at 11:00 a.m. The following items were noted:

- 1. There has been a leak in the roof in the storage room; the ceiling and the wallpaper has been wet. In discussing this with Mr. Walters, it was determined that the owner would be responsible for repairing any roof leak.**
- 2. On the Southeast corner of the building, there appears to be some metal skin missing between the support column and the addition on the rear of the building. Daniel took a picture of this.**
- 3. There are some existing holes in the shop area; Daniel took a picture of this.**
- 4. There are some holes in the ceiling in the conference room area; Daniel took a picture of this.**
- 5. Carpet is in poor condition; it is dirty and there are some permanent stains.**
- 6. There have been some water leaks at the front door, floor has a hole in it at the door.**
- 7. Heating and air-conditioning unit for this facility was discussed. The County will be responsible for regular maintenance. The owner will be responsible for any repairs in the heating and air-conditioning unit.**
- 8. The pump house looks rough. The County agrees to build a new pump house; Mr. Walters agrees to pay for the materials. Copies of material invoices will be provided and the amount deducted from the rent.**


DANIEL SALMON