

LEASE AGREEMENT

THIS LEASE AGREEMENT (“Agreement”) is made and entered into and effective as of October 1, 2016, by and between the City of North Port, Florida (“Landlord”) and The Salvation Army – Venice Corps, a Georgia nonprofit corporation (“Tenant”).

RECITALS

WHEREAS, Landlord owns the property located at 4940 Pan American Boulevard, North Port, Florida 34287, North Port, Florida (the “Property”); and

WHEREAS, Tenant desires to lease a portion of the building on the Property pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants specified herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the Parties agree as follows:

1. Premises.

Landlord hereby leases and lets unto Tenant, and Tenant hereby agrees to lease from Landlord, the following portion of the building on the Property:

Approximately Nine Hundred Twenty-Five (925) square feet of space located at 4940 Pan American Boulevard, North Port, Florida 34287 (the “Premises”).

2. Use of the Premises.

2.1 Business Use. Tenant shall use the Premises to carry on its business of providing community-based health and human services and educational programs, and for any related administrative uses.

2.2 Common Areas. Tenant and its employees, agents, licensees, and invitees shall have use of the Premises as outlined herein and the right to use, in common with other tenants of the Property, the common areas, surface parking and to all other rights and privileges appurtenant thereto, subject to rules and regulations for the use thereof as Landlord prescribes from time to time.

2.3 Disturbance or Improper Use. Tenant shall continuously and uninterruptedly use, occupy, operate and conduct its business on the Premises in such manner as to further the mission of Landlord’s General Services Department, Social Services Division. Tenant further agrees not to use the Premises or Property, or permit the Premises or Property to be used, for any unlawful business or practice or in a manner that disturbs other tenants.

2.4 Policies and Procedures. Landlord may, from time to time, issue policies and/or procedures related to the Property. Tenant agrees to abide by all such policies and/or procedures.

2.5 Hazardous Materials Prohibited. To the best of Landlord's knowledge, as of the commencement date of this Agreement, no hazardous materials or conditions exist at the Premises. Except as otherwise provided herein, Tenant, its agents, licensees, and invitees shall not use, handle, store, display or generate hazardous materials (materials that are ignitable, corrosive, toxic or reactive) in or on the Premises. "Hazardous materials" shall mean those substances defined as "hazardous substances," "hazardous materials," "hazardous wastes," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, *et seq.*; in the regulations adopted and promulgated pursuant thereto; and in the applicable laws, regulations and ordinances enacted by the State of Florida, Sarasota County, and/or the City of North Port.

3. Lease Term and Termination.

3.1. Term. The term of this Agreement shall be one (1) year, commencing on October 1, 2016 and terminating on September 30, 2017 ("Initial Term"). After the Initial Term, unless otherwise terminated, this Agreement shall renew from year-to-year thereafter, provided that in no event shall this lease extend for more than a ten (10) year term.

3.2. Termination. Except as otherwise provided herein, either party may terminate this Agreement at any time without penalty or premium upon sixty (60) days written notice.

4. Payments Due to Landlord.

4.1. Amount of Monthly Rent. Tenant agrees to pay to Landlord rent in the amount of Two-Hundred dollars and no cents (\$200.00) per month. The rent due for any partial calendar months included in the lease term shall be prorated on a daily basis.

4.2. Due Date and Address for Rent Payment. The monthly rent shall be due in advance on the first day of each calendar month, payable to Landlord at 6919 Outreach Way, North Port, Florida 34287, or such other place as Landlord designates by notice in writing.

4.3. Monthly Rent in Renewal Terms. Following the expiration of the Initial Term, Landlord may increase Tenant's monthly rent up to five percent (5%) for each renewed term. Landlord shall provide Tenant written notice of any such increase at least sixty (60) days prior to the expiration of the then-existing term.

4.4. Security Deposit. No security deposit is required in connection with this Agreement.

4.5. Utilities. Tenant agrees to pay all monthly recurring internet connection charges for the Premises. Tenant also agrees to pay all monthly recurring telephone charges, pro-rated by the number of handsets Tenant utilizes as a part of the phone system, and all long distance and/or other toll telephone charges generated by extensions located in the Premises. Landlord shall invoice Tenant quarterly for said charges and payment shall be due within thirty (30) days of the date of the invoice.

4.6. Late Fee. If Tenant fails to pay rent or utilities in full before the end of the fifth (5th) day after the due date, Landlord will charge, and Tenant agrees to pay, a fee of twenty-five dollars (\$25.00) to cover the extra expense and inconvenience involved in handling delinquent and/or late payments.

5. Signage.

5.1. Landlord shall erect signage identifying the Property in general and identifying Tenant. Landlord, in its sole discretion, shall determine the size, location, and numbers of such signage.

5.2. Tenant shall not paint, display, inscribe, maintain, or affix any signs to the Property's or the Premises' interior or exterior and shall not make changes to any sign, fixture, advertisement, notice, lettering or direction on any part of the outside of the building or common areas without Landlord's written consent. Tenant shall bear all expenses associated with the purchase, maintenance, installation, repair, and removal of such signage and advertising.

6. Maintenance and Repairs.

6.1. Landlord Responsibility. Landlord agrees to provide for all building operating and maintenance costs and common area maintenance necessary to keep the Premises in good repair and order including the following amenities and services: (i) All maintenance and repairs required for structural portions of the building including the foundation, common areas, exterior and interior walls, glass windows, building grounds, maintenance and repair of exterior area; (ii) all maintenance and repairs required to mechanical and plumbing systems, air conditioning (HVAC) or utility lines, electrical lines, wires and equipment supplied by Landlord; (iii) all building operating, maintenance and repair expenses to Premises including, but not limited to, management overhead, fees, insurance and taxes, other than those payable by Tenant as provided herein, and capital costs, sidewalk, walkways, driveway and surface parking area, landscaping and lawn care, window cleaning, pest control, and HVAC service; (iv) exterior lighting; (v) repairs or damage to the Premises resulting from malfunctioning of building heating and air conditioning (HVAC) equipment, plumbing or electrical fixtures; (vi) all charges for water, sewer, electric, and trash collection services to the Premises; and (vii) a telephone system and any installation and maintenance charges associated with such system.

6.2. Tenant Responsibility. Tenant, at its expense, shall maintain the interior of the Premises in a clean and healthy condition and notify Landlord immediately when maintenance or repair is needed. Tenant shall leave the Premises in as good a condition as when received, except for reasonable wear and tear, loss by fire or other casualty, and acts of God, and shall remove all trash and debris and leave Premises in broom-swept condition.

6.3. Tenant Negligence. Landlord shall not be responsible for the cost of any repairs necessitated by the negligent acts or omissions of Tenant, its directors, officers, agents, employees, licensees or invitees. Tenant shall reimburse Landlord for any such repairs upon written demand.

7. Alterations and Improvements.

7.1. With Landlord's written consent, Tenant, at Tenant's expense, shall have the right to remodel, redecorate, and make improvements to the Premises, provided the same are coordinated, approved, and performed through Landlord. All improvements and alterations, including plumbing, light fixtures, and affixed partitions shall become Landlord's property and shall remain upon and be surrendered with the Premises upon termination of this Agreement.

7.2. If Tenant makes any alteration or improvement of the Premises without Landlord's written consent, Tenant shall restore Premises substantially to its original condition as approved by Landlord, unless Landlord provides written notice that a particular alteration or improvement shall remain intact.

7.3. All furniture, portable partitions, appliances, electronic equipment, or computers, which have been or will be installed by Tenant, at its expense, shall remain the property of Tenant and may be removed at any time during the term of this Agreement by Tenant, provided that same can be removed without damage to Premises.

8. Right of Entry.

Landlord shall have the right to enter the Premises at reasonable hours to inspect, maintain, clean, or repair the Premises, provided Landlord shall not unreasonably interfere with Tenant's business on the Premises.

9. Covenant of Quiet Enjoyment.

Landlord covenants and warrants that upon Tenant's performance of its obligations herein, Landlord will keep and maintain Tenant in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Premises during the term of this Agreement, subject only to the terms hereof, reservations, restrictions and easements of record, and applicable zoning and other government regulations.

10. Destruction of the Premises.

In the event that the Premises is totally destroyed by fire, act of God, or other casualty, or any substantial portion of the Premises is so damaged or destroyed thereby rendering same unfit for Tenant's purposes for at least sixty (60) days, Landlord may terminate this Agreement upon written notice to Tenant and the rights of all parties hereunder shall cease, except such rights and liabilities as may have accrued to the date of such destruction.

11. Insurance, Property Loss and Damage.

Comprehensive General Liability Insurance. Tenant shall procure and maintain for the duration of this Agreement, general liability insurance coverage per occurrence, combined single limit for bodily injury, and property damage liability, including premises and operations, on the Premises with limits of not less than five hundred thousand dollars (\$500,000.00) per occurrence and one million dollars (\$1,000,000.00) general aggregate per policy year. The aggregate shall apply separately to the Premises and shall not be shared among other locations. Tenant's liability insurance policy shall be the primary coverage on the Premises and Landlord shall be named as an additional insured under the policy.

Fire Damage Liability Insurance. Tenant shall procure and maintain for the duration of this Agreement, fire damage liability insurance on the Premises in the amount of two hundred and fifty thousand dollars (\$250,000.00). Landlord shall be named as an additional insured under the policy.

All Risk/Special Perils/Casualty Insurance. Tenant shall procure and maintain for the duration of this Agreement, all risk/special perils/casualty (to include sinkhole) property insurance (or the equivalent) to cover loss on the Premises resulting from damage to or destruction of personal property contents. The policy shall cover one hundred (100%) of the replacement cost of Tenant's tangible personal property and content and shall include an agreed value endorsement to waive coinsurance. Coverage shall also include continued full payment of rents to Landlord for up to one (1) year after damage or destruction of the Premises.

Worker's Compensation Coverage. If Tenant is required by law to obtain worker's compensation coverage, proof of insurance in the statutorily required amounts must be provided.

Certificates of Insurance and Renewal Policies. Within ten (10) days of procurement, Tenant shall supply Landlord with certificates of insurance showing that all coverage required pursuant to this Agreement is in full force and effect. All certificates of insurance shall be provided to the City Clerk's Office of the City of North Port, together with a copy of this Agreement. From time to time, Tenant shall procure and pay for renewals of this insurance before it expires. Tenant shall deliver to Landlord the renewal policy at least ten (10) days before the existing policy expires.

Other Requirements. All policies must be issued by companies of recognized responsibility licensed to do business in Florida and must contain a provision that prohibits cancellation unless Landlord is given at least ten (10) days' prior written notice of cancellation by the insurance company. Landlord is not responsible for any premium payments or deductibles on Tenant's policies. Landlord reserves the right to review, alter, and amend the insurance requirements herein as needed on a yearly basis.

12. Indemnification and Release.

12.1. REIMBURSEMENT, INDEMNIFICATION, AND ASSUMPTION OF DEFENSE. TENANT AGREES TO REIMBURSE LANDLORD AND ITS RESPECTIVE COMMISSIONERS, OFFICERS, AFFILIATES, AGENTS, EMPLOYEES, AND

REPRESENTATIVES (COLLECTIVELY, "LANDLORD PARTIES") FOR AND WILL INDEMNIFY, DEFEND, AND HOLD HARMLESS LANDLORD PARTIES FROM AND AGAINST ANY AND ALL LOSS OR DAMAGE SUSTAINED BY, LIABILITY OR CHARGES IMPOSED ON, AND CLAIMS OR CAUSES OF ACTION ASSERTED AGAINST, LANDLORD PARTIES ARISING IN WHOLE OR IN PART OUT OF OR BY REASON OF: (i) ANY ACCIDENT OR OCCURRENCE IN OR ON THE PREMISES, ANY USE OF OR BUSINESS CONDUCTED IN OR ON THE PREMISES, OR ANY HIDDEN OR APPARENT DEFECT IN THE PREMISES; (ii) ANY DAMAGE TO OR LOSS OF ANY PROPERTY OF TENANT OR ANY PERSON OCCUPYING THE PREMISES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, MEMBERS, PARTNERS, AFFILIATES, AGENTS, EMPLOYEES, OR CONTRACTORS (COLLECTIVELY, "TENANT PARTIES"), WHETHER THIS DAMAGE TO OR LOSS OF PROPERTY OCCURS ON THE PREMISES OR ON ANY OTHER PART OF THE PROPERTY; AND (iii) ANY ACT, NEGLIGENCE, OR FAULT OF THE TENANT PARTIES, WHETHER OCCURRING ON THE PREMISES OR ON ANY OTHER PART OF THE PROPERTY. TENANT'S REIMBURSEMENT AND INDEMNITY OBLIGATIONS WILL INCLUDE, BUT NOT BE LIMITED TO, ANY AND ALL PENALTIES, ASSESSMENTS, FINES, DAMAGES, INTEREST, SETTLEMENT AMOUNTS, JUDGMENTS, LOSSES, REASONABLE ATTORNEYS' FEES, AND OTHER EXPENSES. TENANT SHALL NOT INDEMNIFY LANDLORD FOR THAT PORTION OF ANY LOSS OR DAMAGES PROXIMATELY CAUSED BY LANDLORD'S GROSS NEGLIGENCE.

12.2. Assumption of Liability and Waiver. Because of Tenant's insurance obligations under this Agreement, Tenant assumes full responsibility and liability for the condition of the Premises for the duration of this Agreement, and Tenant hereby waives all rights and claims against and holds harmless Landlord Parties, for any and all property loss or damage occurring anywhere on the Property and any and all personal injury or death occurring in or about the Premises and/or the Property. As part of its waiver, Tenant waives all rights and claims against Landlord Parties arising from: (i) Theft, vandalism, criminal acts, or lack of security (Tenant hereby acknowledges that it is solely responsible for its own security, and that Landlord is not required to provide or to continue to provide any security equipment, devices, or services); (ii) any acts or omissions of other tenants of the Property or any other property owned or managed by Landlord; (iii) any freezing, bursting, or leaking of, or water otherwise coming out of pipes or sprinklers, leaks in the roof, or the lack of a sprinkler system or fire prevention system, or the failure of a sprinkler system or fire prevention system to work properly (Tenant hereby acknowledges that it has sole responsibility for insuring over loss or damage caused by malfunctions or failures to function of the sprinkler system or fire prevention system); (iv) any lack of or failure of the plumbing, heating, air conditioning, or any other mechanical system (including, but not limited to, those described in (iii) above); or (v) any failure to cause the Premises to comply with laws or otherwise to be in a condition suitable for Tenant's use. THIS PROVISION AND TENANT'S REIMBURSEMENT AND INDEMNIFICATION OBLIGATIONS SET OUT ABOVE WILL APPLY NOTWITHSTANDING THE FACT THAT LANDLORD IS THE OWNER AND LANDLORD OF THE PREMISES, AND EVEN IF THE INCIDENT THAT IS THE SUBJECT OF THE WAIVER, REIMBURSEMENT, OR INDEMNIFICATION ARISES FROM THE NEGLIGENCE OF LANDLORD PARTIES, OR ANY OF THEM, OR LANDLORD'S CONTRACTORS. THIS SECTION 12 WILL NOT

EXCLUDE LIABILITY IF THE EXCLUSION OF THAT LIABILITY IS PROHIBITED BY THE LAWS OF THE STATE OF FLORIDA.

12.3. Survival of Covenants. The agreements and covenants in this Section 12 shall survive termination of the Agreement with respect to matters that occur during the term.

13. Default and Remedies.

13.1. Tenant Default. The occurrence of any one of the following events shall constitute a default of Tenant: (i) Abandonment of the Premises for a period of thirty (30) consecutive days; (ii) failure to pay rent or any other monies due and continuing for a period of ten (10) days after the same is due; (iii) filing a voluntary petition in bankruptcy; (iv) receivership, attachment, or other judicial seizure of substantially all of Tenant's assets on the Premises; (v) failure to execute and deliver to Landlord any estoppel certificate or Agreement amendment within the time periods and in the manner required; (vi) an assignment or sublease, or attempted assignment or sublease, of this Agreement or the Premises; (vii) failure in the performance of any agreements or obligations in this Agreement; (viii) chronic delinquency in the payment of rent, or any other payments required to be paid by Tenant under this Agreement; or (ix) failure to perform or observe any other condition or obligation of this Agreement and to cure such failure within thirty (30) days following Landlord's written notice to Tenant.

13.2. Landlord Default. Landlord shall be in default if Landlord fails to perform or observe any condition or obligation of this Agreement within thirty (30) days following Tenant's written notice to Landlord, provided that:

13.2.1. If the nature of the default reasonably requires more than thirty (30) days, Landlord shall not be in default hereunder if Landlord has promptly commenced and is diligently pursuing a cure; and

13.2.2. If the nature of the default poses an imminent danger to persons or property, then the period of time for cure shall be a reasonable period of time in light of the circumstances.

13.3. Landlord Remedies. In the event of Tenant's default, Landlord may: (i) Terminate this Agreement; (ii) re-enter the Premises, terminate Tenant's right of possession of the Premises, and re-let all or any part of the Premises; (iii) cure the default on behalf of Tenant, and Tenant shall pay the reasonable costs of such cure upon written demand; and/or (iv) pursue any other remedy now or hereafter available under the law.

13.4. No Waiver of Landlord's Remedies. Landlord's acceptance of any rent payment in an amount less than the amount due and owing, and/or any other act of forbearance concerning and breach or default by Tenant, shall not constitute a waiver of Landlord's right to collect the full amount due or pursue remedies for default, including proceeding with an eviction claim. Landlord's acceptance of rent, partial rent, and/or any act of forbearance or waiver of any breach or default of this Agreement by Tenant shall not be construed as a continuing waiver or consent to any subsequent breach, or default by Tenant and shall not bar Landlord's right to demand strict compliance with that provision or any other provision of this Agreement. No

course of dealing between Landlord and Tenant shall constitute a waiver of any of Landlord's rights or any of Tenant's obligations as due hereunder.

13.5. Tenant Remedies. In the event of Landlord's default, Tenant has the following remedies: (i) Cure the default on behalf of Landlord, and Landlord shall pay the reasonable costs of such cure upon written demand; and/or (ii) pursue any other remedy now or hereafter available under the law.

13.6. Mitigation. Both parties agree to mitigate their damages upon default.

14. Notices.

Except as otherwise provided herein, all notices, invoices, reports, or any other type of documentation required by this Agreement shall be made in writing and shall be deemed given and served when deposited in the United States mail, postage paid, to the addresses listed below. Either party may change its address or representative by providing written notice to the other Party.

Landlord: City of North Port
Director, Department of General Services
4970 City Hall Blvd
North Port, Florida 34286
(941) 429-7113

Tenant: The Salvation Army – Venice Corps.
1051 Albee Farm Road,
Venice, FL 34292
(941) 484-6227

15. Radon Gas.

Pursuant to Florida Statutes Section 404.056(5), Landlord is required to provide the following notice:

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.

16. Estoppel Certificates.

Each party agrees to provide to the other, at any time, within ten (10) days of a written request, a certificate certifying that this Agreement is unmodified and in full force and effect or in full force and effect as modified, and stating the modifications. The certificate shall also state the amount of monthly rent, the dates to which the rent has been paid in advance, and the amount of any security deposit or prepaid rent. It is intended that any such certificate may be relied upon by any

prospective purchaser or mortgagee of the Premises, or any portion thereof, or any lender of Landlord.

17. Sublease and Assignment.

Tenant shall not transfer, assign, sublet, underlet, mortgage, pledge or encumber this Agreement.

18. Miscellaneous.

18.1. Binding Effect/Counterparts. By the signatures affixed hereto, the Parties intend to be bound by the terms and conditions hereof. This Agreement is binding upon and shall inure to the benefit of the Parties and their respective heirs, executors, administrators, successors and assigns. It may be signed in counterparts.

18.2. Governing Law and Venue. This Agreement is made under and shall be construed in accordance with the laws of the State of Florida. For any judicial proceeding brought concerning this Agreement, venue shall be solely in Sarasota County, Florida.

18.3. No Agency. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, or of partnership or joint venture, between the Parties, it being understood and agreed that neither the method of computation of rent, or any other provisions contained herein, or any acts of the Parties shall be deemed to create any relationship between them other than that of Landlord and Tenant.

18.4. Severability. Should any provision of this Agreement be decided by the courts to be illegal, invalid, or conflict with any law, the validity of the remaining portions or provisions of this Agreement shall not be affected thereby.

18.5. Headings. The descriptive titles appearing in each respective paragraph thereof are for convenience only and are not a part of this Agreement and do not affect its construction.

18.6. Complete Agreement. This Agreement contains and embodies all the representations, covenants and promises made by the Parties. Except as otherwise provided herein, no modifications or Amendments to this Agreement shall be valid unless in writing and executed by the Parties.

IN WITNESS WHEREOF, Landlord and Tenant have caused this Agreement to be executed by their respective undersigned officers.

(This space left intentionally blank; signature pages follow)

TENANT
Salvation Army – Venice Corps.

By:

STATE OF _____

COUNTY OF _____

BEFORE ME appeared _____, known to me as the individual described in and who executed the foregoing instrument, and acknowledged that he or she executed same in the capacity and for the purpose therein expressed, and that he or she had full authority and authorization to so act.

WITNESS my hand and official seal: _____, 2016.

Notary Public

LANDLORD
CITY OF NORTH PORT, FL

By: Jonathan R. Lewis, ICMA-CM
City Manager

Attest:

Patsy C. Adkins, MMC, City Clerk

Approved as to Form and Correctness:

Mark Moriarty, City Attorney