

BUSINESS LEASE CONTRACT

THIS BUSINESS LEASE CONTRACT, entered into this ____ day of _____, 2019, between the **CITY OF CLEARWATER, FLORIDA**, a Florida municipality, located at 600 Cleveland St, 6th Floor Clearwater, Florida 33755, as "Lessor", and **Hope Academy International, LLC** whose mailing address is 421 4TH St NW, Largo, FL 33770, as "Lessee", for purposes of this Lease.

WITNESSETH:

That the Lessor does lease to the Lessee the following premises consisting of approximately 5,200 square feet of land located at 918 Palmetto St, Clearwater, Pinellas County, Florida, and being more specifically described as follows:

Lot 5, PENNSYLVANIA SUBDIVISION, according to the map or plat thereof, as recorded in Plat Book 21, Page 80 of the Public Records of Pinellas County, Florida

Such property shall hereinafter be referred to as the "Leased Premises" or the "Demised Premises" or the "Leased Property."

1. LEASE TERM.

The term of this lease shall be for One (1) year, which term will commence on the day following approval and execution by the Clearwater City Council, (expected approval date to be April 4, 2019), and shall continue until midnight on the 31st day of March, 2020 (herein called the "Initial Term"). The Parties shall have the option to extend the term of this lease for four (4) successive periods of one (1) year (the "Extended Term") by written agreement. Letter correspondence or email shall be sufficient as a written agreement for these purposes. No such renewal or extension shall be deemed a waiver by Lessor of any breach or default which may then exist. The extended term shall be upon the same conditions and terms, and the rent shall be determined and payable, as provided in this agreement, except that there shall be no privilege to extend the term beyond the expiration of the Extended Term period as hereinabove specified. The Lessee shall exercise the option to extend the term by notifying the Lessor in writing at least two (2) calendar months prior to the expiration of the then current term. Upon such exercise, the Lessor shall notify the Lessee as to whether it agrees to an extension, and if Lessor does agree, this Lease shall be extended without the execution of any further lease or other instrument. Failure to exercise the option as required herein shall nullify the option for the extended term.

2. RENT.

The Lessee agrees to pay and the Lessor agrees to accept as rent, the sum of One Thousand and 00/100 Dollars (\$1,000.00) per one (1) year period of the Lease, and other good and valuable consideration, including but not limited to, benefits inuring to the children of Clearwater, the receipt and sufficiency of which is hereby acknowledged. Rent is due on commencement of the lease and an additional One Thousand and 00/100 Dollars (\$1,000.00) is due on commencement of every subsequent one (1) year lease renewal period.

3. USE OF PREMISES.

The premises are leased to Lessee solely for the following uses and no other use can be made of the premises during the term without the written consent of the Lessor: The premises will be used for the purpose of providing playground space, and children's playground equipment to be determined and provided by Lessee, to be used in association with the preschool nursery at 920 Palmetto Street, Clearwater, Florida. Lessee agrees that it will maintain its children's playground equipment in proper order and good repair.

4. UTILITIES.

Water, sewer, electric and all other utilities of any kind shall be billed directly to Lessee and are or shall be individually metered for the subject premises. All deposits for such utilities shall be the sole responsibility of Lessee.

5. TAXES.

If any ad valorem taxes, intangible property taxes, personal property taxes, or other liens or taxes of any kind are assessed or levied lawfully on the Leased Property, based on the Lessee's use of the Leased Property during the term of this lease, the Lessee agrees to pay all such taxes, assessments or liens, within thirty (30) days after receiving written notice from the Lessor or written notice from the applicable taxing authority, whichever is earlier. In the event the Lessee fails to pay all such taxes assessed or levied on the Property within thirty (30) days after receiving written notice, the Lessor may, at its sole option, pay such taxes, liens, or assessments, which shall become additional rent hereunder, and Lessee shall immediately reimburse Lessor together with any interest, calculated at the maximum rate allowed by law, and any administrative costs incurred by the Lessor. Failure of the Lessee to pay any taxes or assessments pursuant to this paragraph will constitute a material default of this Lease.

6. OBSERVANCE OF LAWS AND ORDINANCES.

Lessee agrees to observe, comply with and execute promptly at its expense during the term hereof, all laws, rules, requirements, orders, directives, codes, ordinances and regulations of governmental authorities and agencies and of insurance carriers which relate to its use or occupancy of the demised premises.

7. ASSIGNMENT OR SUBLEASE.

Lessee shall not, without first obtaining the written consent of Lessor, assign, mortgage, pledge, or encumber this lease, in whole or in part, or sublet the premises or any part thereof. Lessor expressly covenants that such consent to sublet shall not be unreasonably or arbitrarily refused. This covenant shall be binding on the legal representatives of Lessee, and on every person to whom Lessee's interest under this lease passes by operation of law, but it shall not apply to an assignment or subletting to the parent or subsidiary of a corporate lessee or to a transfer of the leasehold interest occasioned by a consolidation or merger involving such lessee.

If the premises are sublet or occupied by anyone other than Lessee, and Lessee is in default hereunder, or if this lease is assigned by Lessee, Lessor may collect rent from the assignee,

subtenant, or occupant, and apply the net amount collected to the rent herein reserved. No such collection shall be deemed a waiver of the covenant herein against assignment and subletting, or the acceptance of such assignee, subtenant, or occupant as Lessee, or a release of Lessee from further performance of the covenants herein contained.

8. ALTERATIONS AND IMPROVEMENTS.

The Lessee shall not make any structural alterations or modifications or improvements which are part of the leased property without the written consent of the Lessor, and any such modifications or additions to said property shall become the property of the Lessor upon the termination of this lease or, at Lessor's option, the Lessee shall restore the leased property at Lessee's expense to its original condition. The restrictions of this paragraph shall not apply to maintenance of the leased property, but shall apply to any change which changes the architecture or purpose of the property or which changes any of the interior walls of the improvements or which annexes a fixture to any part of the leased property which cannot be removed without damage thereto. In the event Lessee desires to make any alterations or modifications, written notice shall be given to the Lessor. Unless the Lessor objects to such proposals by notice to Lessee within twenty (20) days after receiving written notice from Lessee (day of receipt inclusive), the proposal shall be deemed approved. Lessee shall have no power or authority to permit mechanics' or materialmen's liens to be placed upon the leased property in connection with maintenance, alterations or modifications. Lessee shall, within fifteen (15) days after notice from Lessor, discharge any mechanic's liens for materials or labor claimed to have been furnished to the premises on Lessee's behalf. Not later than the last day of the term Lessee shall, at Lessee's expense, remove all of Lessee's personal property and those improvements made by Lessee which have not become the property of Lessor, including trade fixtures and the like. All property remaining on the premises after the last day of the term of this lease shall be conclusively deemed abandoned and may be removed by Lessor and Lessee shall reimburse Lessor for the cost of such removal. It is contemplated by the parties that Lessee will install portable classrooms on the Premises which will not violate the above restrictions as to alterations and improvements. Said portable classrooms are and will remain the property of the Lessee. Should the installation of the portable classrooms alter the premises as described above, Lessee shall follow the above provisions as to notice, approval and removal without damage to Lessor's property.

9. RISK OF LOSS.

All personal property placed or moved in the premises shall be at the risk of the Lessee or owner thereof. The Lessor shall not be responsible or liable to the Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises hereby leased or any part of the building which the leased premises are a part of or any loss or damage resulting to the Lessee or its property from bursting, stopped up or leaking water, gas, sewer or steam pipes unless the same is due to the negligence of the Lessor, its agents, servants or employees.

10. RIGHT OF ENTRY.

The Lessor, or any of its agents, shall have the right to enter said premises during all reasonable hours, to examine the same to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort, or preservation thereof, or of said building, or to exhibit

said premises. The right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations or additions, which do not conform to this agreement.

11. RESTORING PREMISES TO ORIGINAL CONDITION.

Lessee represents that the premises leased are in good, sanitary and tenantable condition for use by Lessee. Lessee's acceptance or occupancy of the leased premises shall constitute a recognition of such condition. Lessee hereby accepts the premises in the condition they are in at the beginning of this lease and agrees to maintain said premises in the same condition, order and repair as they are at the commencement of said term, and to return the premises to their original condition at the expiration of the term, excepting only reasonable wear and tear arising from the use thereof under this agreement. The Lessee agrees to make good to said Lessor immediately upon demand, any damage to water apparatus, or electric lights or any fixture, appliances or appurtenances of said premises, or of the walls or the building caused by any act or neglect of Lessee or of any person or persons in the employ or under the control of the Lessee.

12. INSURANCE.

Lessee agrees to comply with all terms, provisions and requirements contained in Exhibit "A" attached hereto and made a part hereof as if said document were fully set forth at length herein.

13. MAINTENANCE.

Lessee shall keep the premises in a clean, sanitary and safe condition in accordance with law and in accordance with all directions, rules and regulations of governmental agencies having jurisdiction. Lessee agrees that all operation, upkeep, and maintenance will be at Lessee's expense. In the event Lessor pays any monies required to be paid by Lessee hereunder, said monies shall become additional rent due hereunder, Lessor shall demand repayment of same from Lessee and Lessee shall make payment within ten (10) days of receipt of said demand. Lessee's failure to make such repayment within the ten (10) day period shall constitute a default under the terms of this lease.

14. EMINENT DOMAIN.

If the whole or any part of the premises hereby leased shall be taken by any public authority under power of eminent domain, then the term of this lease shall cease on the part so taken from the date title vests pursuant to such taking, and the rent and any additional rent shall be paid up to that day, and if such portion of the demised premises is so taken as to destroy the usefulness of the premises for the purpose for which the premises were leased, then from that day the Lessee shall have the right to either terminate this lease or to continue in possession of the remainder of the same under the terms herein provided. The parties agree that the Lessee shall not be entitled to any damages by reason of the taking of this leasehold or be entitled to any part of the award for such taking, or any payment in lieu thereof.

15. SUBORDINATION.

This lease and the rights of the Lessee hereunder are hereby made subject and subordinate to all bona fide mortgages now or hereafter placed upon the said premises by the Lessor and any other owner provided, however, that such mortgages will not cover the equipment and furniture or

furnishings on the premises owned by the Lessee. The Lessee further agrees to execute any instrument of subordination which might be required by mortgagee of the Lessor.

17. DEFAULT; REMEDIES.

(a) If the Lessee shall violate any of the covenants of this lease and fail to correct such default within fifteen (15) days after a written request by the Lessor to do so, then the Lessor may, at its option, deem this lease terminated, accelerate all rents and future rents called for hereunder and Lessee shall become a tenant at sufferance, and the Lessor shall be entitled to obtain possession of the premises as provided by law.

(b) In case the leased property shall be abandoned, as such term is defined by Florida Statutes, the Lessor, after written notice as provided by Florida Statutes to the Lessee, Lessor may (i) re-enter the premises as the agent of the Lessee, either by force or otherwise, without being liable to any prosecution or claim therefor, and may relet the leased property as the agent of the Lessee and receive the rent therefor and apply the same to the payment of such expenses as Lessor may have incurred in connection with the recovery of possession, reduction, refurbishing or otherwise changing or preparing for reletting, including brokerage and reasonable attorneys fees. Thereafter, it shall be applied to the payment of damages and to the cost and expenses of performance of the other covenants of Lessee as provided herein; or (ii) the Lessor may, at its option, terminate this lease by giving the Lessee fifteen (15) days' written notice of such intention served upon the Lessee or left upon the leased property, and the term hereof shall absolutely expire and terminate immediately upon the expiration of said fifteen (15) day period.

(c) The Lessor, at its option, may terminate this lease as for a default upon the occurrence of any or all of the following events: an assignment by Lessee for the benefit of creditors; or the filing of a voluntary or involuntary petition by or against Lessee under any law for the purpose of adjudicating Lessee bankrupt; or for reorganization, dissolution, or arrangement on account of or to prevent bankruptcy or insolvency; or the appointment of a receiver of the assets of Lessee; or the bankruptcy of the Lessee. Each of the foregoing events shall constitute a default by Lessee and breach of this lease.

(d) Municipal Purpose: The City may terminate this Lease in the event it determines that the Leased Premises are required for any other municipal purposes by giving ninety (90) days written notice of such intended use, following which this Lease shall terminate in every respect, and both parties shall be relieved of any further obligations hereunder, except that Lessee shall be responsible for all monies due and owing hereunder at the time of such determination resulting from the operation hereof, together with any other monies due in accordance with this Lease.

18. MISCELLANEOUS.

(a) The Lessor shall have the unrestricted right of assigning this lease at any time, and in the event of such assignment, the Lessor shall be relieved of all liabilities hereunder.

(b) This contract shall bind the Lessor and its assigns or successors, and the Lessee and assigns and successors of the Lessee.

(c) It is understood and agreed between the parties hereto that time is of the essence of this contract and this applies to all terms and conditions contained herein.

(d) It is understood and agreed between the parties hereto that written notice sent by certified or registered mail, hand delivered to the premises leased hereunder, or delivered by commercial courier shall constitute sufficient notice to the Lessee, and written notice sent by certified or registered mail, hand delivered or delivered by commercial courier to the office of the Lessor shall constitute sufficient notice to the Lessor, to comply with the terms of this contract.

(e) The rights of the Lessor under the foregoing shall be cumulative, and failure on the part of the Lessor to exercise promptly any rights given hereunder shall not operate to forfeit any of the said rights.

(f) It is hereby understood and agreed that any signs to be used by Lessee, except inside the building, shall comply with applicable governmental rules, regulations and ordinances and shall be further subject to the prior approval of the Lessor.

(g) It is understood that no representations or promises shall be binding on the parties hereto except those representations and promises contained herein or in some future writing signed by the party making such representations or promises.

(h) It is hereby agreed that if any sum due from Lessee is not received by Lessor within five (5) days after such amount shall be due (due date inclusive), Lessee shall pay to Lessor a late charge equal to five percent (5%) of such overdue amount. The Lessor shall not be required to accept any sum not paid within five (5) days subsequent of the date when due absent the simultaneous payment of this late charge. The requirement for a late charge set out herein shall not be construed to create a curative period or a grace period for the timely payment of any sum due hereunder.

19. SUBROGATION.

The Lessor and Lessee do agree that each will cause its policies of insurance for fire and extended coverage to be so endorsed as to waive any rights of subrogation which would be otherwise available to the insurance carriers, by reason of any loss or damage to the leased property or property of Lessor. Each party shall look first to any insurance in its favor before making any claim against the other party. Nothing contained herein shall in any way be considered or construed as a waiver or release by the Lessor of any and all of the other covenants and conditions contained in this lease to be performed by the Lessee.

20. ESTOPPEL LETTER.

In the event Lessor shall obtain a loan from an institutional lender, and if the following shall be a requirement of such loan, the Lessee agrees to execute an estoppel letter in favor of the lender verifying the standing of the lease, the terms thereof, and all amounts paid thereunder and such other matters as may be reasonably requested.

21. INDEMNIFICATION.

The Lessee shall indemnify the Lessor against all liabilities, expenses and losses incurred by the Lessor arising out of or related to the leased premises or Lessee's use or occupancy thereof, to include but not being limited to (a) failure by the Lessee, or its agents, to perform any provision, term, covenant or agreement required to be performed by the Lessee under this agreement; (b) any

occurrence, injury or personal or property damage which shall happen in or about the leased property or appurtenances resulting from the condition, maintenance, construction on or of the operation of the leased property; (c) failure to comply with any requirements of any governmental authority or insurance company insuring the leased property or its contents; (d) any security agreement, conditional bill of sale or chattel mortgage or mechanic's lien connected with Lessee, its obligations or operations, filed against the leased property, fixtures, equipment or personalty therein; and (e) any construction, work, alterations or improvements by Lessee on the leased property. Such indemnification shall include reasonable attorney's fees for all proceedings, trials and appeals. The terms and conditions of this paragraph shall expressly survive the termination or expiration of this Lease.

22. "AS IS" CONDITION.

The Lessee accepts the leased premises on an "as is" basis, and Lessor shall have no obligation to improve or remodel the leased premises.

23. CONSTRUCTIVE EVICTION.

Lessee shall not be entitled to claim a constructive eviction from the premises unless Lessee shall have first notified Lessor in writing of the condition or conditions giving rise thereto and, if the complaints be justified, unless Lessor shall have failed within a reasonable time after receipt of such notice to remedy such conditions.

24. LESSEE OPTION TO TERMINATE

Lessee may terminate this Lease by giving ninety (90) days written notice to Lessor, following which this Lease shall terminate in every respect, and both parties shall be relieved of any further obligations hereunder, except for provisions expressly intended to survive termination, and that Lessee shall be responsible for all monies due and owing in accordance with this Lease.

25. SEVERANCE.

The invalidity or unenforceability of any portion of this lease shall in nowise affect the remaining provisions and portions hereof.

26. CAPTIONS.

The paragraph captions used throughout this lease are for the purpose of reference only and are not to be considered in the construction of this lease or in the interpretation of the rights or obligations of the parties hereto.

27. NO HAZARDOUS MATERIALS.

The Lessee herewith covenants and agrees that no hazardous materials, hazardous waste, or other hazardous substances will be used, handled, stored or otherwise placed upon the property or, in the alternative, that such materials, wastes or substances may be located on the property, only upon the prior written consent of the Lessor hereunder, and only in strict accord and compliance with any and all applicable state and federal laws and ordinances. In the event such materials are

utilized, handled, stored or otherwise placed upon the property, Lessee expressly herewith agrees to indemnify and hold Lessor harmless from any and all costs incurred by Lessor or damages as may be assessed against Lessor in connection with or otherwise relating to said hazardous materials, wastes or substances at anytime, without regard to the term of this lease. This provision shall survive the termination of this Lease.

28. RADON GAS NOTIFICATION

The following Radon Gas Notification, as required by Florida Statute 404.056(8) is to be inserted into all contracts for sale, purchase or rental of real property:

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 unit.

29. CONFORMANCE WITH LAWS.

Lessee agrees to comply with all applicable federal, state and local laws during the life of this Contract.

30. ATTORNEY'S FEES.

In the event that either party seeks to enforce this Contract through attorneys at law, then the parties agree that each party shall bear its own attorney fees and costs.

31. GOVERNING LAW.

The laws of the State of Florida shall govern this Contract; any action brought by either party shall lie in Pinellas County, Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date set forth above.

Countersigned:

CITY OF CLEARWATER, FLORIDA

George N. Cretekos
Mayor

By:

William B. Horne II
City Manager

| Approved as to form:

Attest:

Laura Lipowski Mahony
Assistant City Attorney

Rosemarie Call
City Clerk

Hope Academy International, LLC

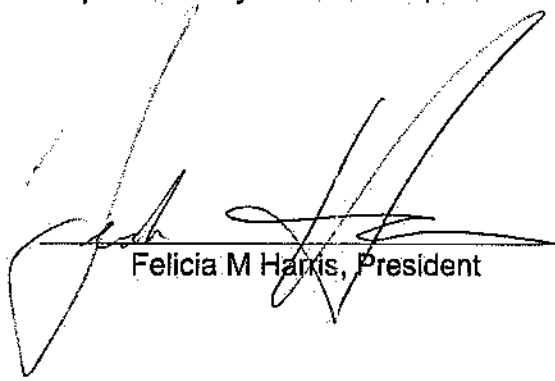
Witness signature

Print Witness Name

Witness signature

Print Witness Name

Print Witness Name

By: 

Felicia M Harris, President

EXHIBIT "A"

CITY OF CLEARWATER INSURANCE REQUIREMENTS

The Lessee shall, at its own cost and expense, acquire and maintain (and, if applicable, cause any contractors and subcontractors to acquire and maintain) during the term with the City, sufficient insurance to adequately protect the respective interest of the parties.

Coverage shall be obtained with a carrier having an AM Best Rating of A-VII or better. Specifically the Lessee must carry the following minimum types and amounts of insurance on an occurrence basis or in the case of coverage that cannot be obtained on an occurrence basis, then coverage can be obtained on a claims-made basis with a minimum three (3) year tail following the termination or expiration of this Agreement. These insurance requirements shall not limit the liability of the Lessee. The City does not represent that these types or amounts of insurance to be sufficient or adequate to protect the Lessee's interests or liabilities, but are merely minimums:

1. **Commercial General Liability in the amount of \$1,000,000** per occurrence, including but not limited to, bodily injury, personal injury, property damage, premises-operations, sexual abuse, sexual harassment, contractual liability, independent contractors, and liability assumed under an insured contract. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be no less than \$3,000,000.
2. **Commercial Automobile Liability Insurance** for any owned, non-owned, hired or borrowed automobile is required in the minimum amount of \$1,000,000 combined single limit.
3. **Workers' Compensation Insurance** shall be maintained during the life of this contract in accordance with the laws of the State of Florida, for all of Lessee's employees employed at the site. Coverage should include

Voluntary Compensation and U.S. Longshoremen's and Harbor Worker's Act coverage where applicable.

4. **Employer's Liability Insurance** shall be maintained in the minimum amount of \$100,000 each employee, each accident, and \$100,000 each employee/\$500,000 policy limits for disease, and which meets all state and federal laws. Coverage must be applicable to employees, contractors, and subcontractors, if any.
5. If the Lessee is using its own property or the property of City in connection with the performance of its obligations under this Agreement, then **Property Insurance** on an "All Risks" basis with replacement cost coverage for property and equipment in the care, custody and control of others is required.
6. Such insurance shall be on a form acceptable to the City and shall cover vendor and its employees for liability arising out of any occurrence of abuse or molestation in relation to the work provided by vendor under the Agreement. If the Abuse and Molestation coverage is provided on a Claims Made Form, the retroactive date must be no later than the first date of this Agreement and such claims-made coverage must respond to all claims reported within three (3) years following the period for which coverage is required. Limits required are: Each Claim: \$1,000,000, Annual Aggregate: \$1,000,000, Deductible or Self Insured Retention \$25,000

The above insurance limits may be achieved by a combination of primary and umbrella/excess liability policies.

Other Insurance Provisions:

1. The City is to be specifically included as an "Additional Insured" on the Commercial Liability Insurance, and Commercial Auto Liability Insurance policies listed above and named as a "Loss Payee" on Lessee's Property Insurance policy. Coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees, agents or volunteers.

2. Prior to the execution of this Agreement, and then annually upon the anniversary date(s) of the insurance policy's renewal date(s), the Lessee will furnish the City with a Certificate of Insurance evidencing the coverage's set forth above and naming the City as an "Additional Insured" on the Lessee's Commercial General Liability Insurance and Commercial Auto Liability Insurance policies listed above and as a "Loss Payee" on the Lessee's Property Insurance policy. In addition, Lessee will provide the City with certified copies of all applicable policies when requested in writing from the City. The address where such certificates and certified policies shall be sent or delivered is as follows:

City of Clearwater
Attn: Administrative Support Manager
Engineering/Production Department
P.O. Box 4748
Clearwater, FL 33758-4748

3. Lessee shall provide thirty (30) days written notice of any cancellation, non-renewal, termination, material change or reduction in coverage.
4. Lessee's insurance as outlined above shall be primary and non-contributory coverage for Lessee's negligence.
5. Lessee shall defend, indemnify, save and hold the City harmless from any and all claims, suits, judgments and liability for death, personal injury, bodily injury, or property damage arising directly or indirectly including legal fees, court costs, or other legal expenses.

The stipulated limits of coverage above shall not be construed as a limitation of any potential liability to the City, and failure to request evidence of this insurance shall not be construed as a waiver of Lessee's obligation to provide the insurance coverage specified.