

**LEASE WITH PURCHASE OPTION**

**BETWEEN THE CITY OF NEW PORT RICHEY, FLORIDA  
AND  
GRAND BLVD INVESTMENTS, LLC**

THIS LEASE AGREEMENT made and entered into on this \_\_\_\_ day of \_\_\_\_\_ 2018 (hereinafter “Effective Date”) by and between the CITY OF NEW PORT RICHEY, FLORIDA, COMMUNITY REDEVELOPMENT AGENCY, a corporate body politic (herein after called “Lessor”) and GRAND BLVD INVESTMENTS, LLC, a Florida limited liability company (herein after called the “Lessee”), and the parties hereto agree to the following terms and conditions, concerning the property described herein:

**1. PROPERTY DESCRIPTION**

The Lessor does by these presents, lease and let to the Lessee the following described property (hereinafter “Property”), the same being situated and located at 6345 Grand Boulevard, in the City of New Port Richey, County of Pasco, State of Florida:

See Exhibit “A” attached hereto for legal description and drawing.

**2. LEASE TERM, RENEWAL**

Lessor is the fee simple owner of the Property. The term of this Lease is for a period of three (3) years (hereinafter “Lease Term”), commencing on the first day of \_\_\_\_\_, 2019 (hereinafter “Commencement Date”). This Lease may be renewed on the same terms and conditions for an additional one (1) year period, upon thirty (30) days’ notice provided by Lessee to Lessor, and if so renewed, may be renewed for an additional one (1) year thereafter, upon ninety (90) days’ notice provided by Lessee to Lessor.

**3. RENT**

No Rent shall be due for the first month of the Lease Term, and thereafter Rent is due monthly on the first day of each month in the amount of \$3,500.00 per month for the next six (6) months of the Lease Term, and \$6,300.00 per month for the next five (5) months of the Lease Term. On the first and second anniversaries of the Commencement Date, the monthly rent due for each of the ensuing twelve (12) months shall be the previous monthly rent amount due increased by a percentage equivalent to the un-adjusted consumer price index for the “all items” category for the most recent twelve (12) month period promulgated by the United States Bureau of Labor Statistics as of said date, rounded to the nearest whole dollar. All rent shall be prorated for any partial month. At the time of execution of this Lease, Lessee shall pay Ten Thousand and 00/00 Dollars (\$10,000.00) as a security deposit. Said deposit shall be maintained by Lessor in a non-interest bearing account which may be comingled with other funds held by Lessor and shall be returned to Lessee at the expiration of the Lease Term, provided that Lessee is not in default of this Lease beyond any applicable notice and cure periods. If Lessee exercises the Purchase Option provided in this Lease, the aforesaid security deposit may be used as the earnest money deposit for said purchase transaction; provided however, that if the purchase transaction shall not close for any reason which would require the release of the deposit to Lessee, the same shall revert to its original state as a security deposit under this Lease, subject to the release provisions herein. Any payment received by Lessor more than five (5) days after the due date shall be subject to a late fee of 5% of the rent payment due for each month the same is delinquent. If Lessee pays with a check or bank draft that is returned unpaid or uncollected, Lessee shall pay Lessor, in

addition to the total amount due, a processing fee of 5% for each returned check or bank draft. In the event two (2) or more of Lessee's checks or bank drafts are returned unpaid or uncollected during the Lease Term, Lessor may require, as a condition of Lessee's continued occupation of the Property, that all subsequent payments of rent be in the form of a cashier's check or money order. Lessor shall have a lien for all unpaid rent and other charges due under this Lease from Lessee against all of Lessee's personal property or trade fixtures located on the Property at any time during the Lease, and Lessee shall not remove any such personal property or trade fixtures from the Property without the express written consent of Lessor in its sole and absolute discretion.

**4. EXPENSES**

Lessee shall pay all real estate taxes, license or permit fees, and any other fee, cost or tax, if any, imposed by any governmental entity, division or agency of the United States of America, the State of Florida, Pasco County or Lessor, concerning the leased premises.

**5. USE, ASSIGNMENT, SUBLETTING**

Lessee shall use the subject premises only for general office, retail and/or restaurant use (the "Permitted Use"). Lessee shall make no other use of the premises without the written consent of Lessor. Lessee shall not assign its rights or responsibilities under this Lease, nor sublet or allow another to use the subject property, without the written consent of the Lessor, which shall not be unreasonably withheld, conditioned or delayed.

**6. LESSEE IMPROVEMENTS**

Lessee shall replace three (3) windows as described in Exhibit "B" Lessee's Work in the building on the Property at Lessee's sole expense, subject to Lessor's approval of all design and materials to be used. The cost of such window replacement shall be a credit against the Purchase Price in the Purchase Option provided by this Lease, upon submission of satisfactory documentation of the cost of said work to Lessor. Lessee shall make no other improvements or alterations to the subject property without the written consent of Lessor. Any and all improvements must be made in accordance with all applicable laws and ordinances, including those related to site plan review and building permits. Lessee shall pay the costs for site plan review, licenses or permit fees, as applicable. Upon the expiration of the lease term or termination of this Lease, Lessor shall be entitled to ownership and possession of the premises, together with any improvements or additions thereto, whether pre-existing this Lease or added during the term hereof. Notwithstanding any prior agreements between the parties, upon termination of this Lease, Lessee shall surrender the premises in good condition and hereby waives any right, title or interest in the premises or any improvement constructed thereon, whether constructed prior to or during the term of this Lease; and Lessee hereby releases Lessor from any and all claim for the value of any improvements constructed on the premises by Lessee or for Lessee's benefit, except as provided herein. Lessee shall not allow any lien of any kind to be placed against the premises, and Lessor's issuance of building permits or approval of plans shall not constitute an acceptance of any contractor or laborer regarding such improvements.

**7. LESSOR IMPROVEMENTS**

During the initial six (6) month period from the Commencement Date, Lessor shall perform the improvements to the Property described in Exhibit "B" attached hereto and incorporated herein (hereafter "Lessor's Work") in a good and workmanlike manner. Lessor's Work shall be completed in the manner determined by Lessor in its sole and absolute discretion. All materials and labor used to perform said improvements shall be determined by Lessor and approved by Lessee, which approval shall not be unreasonably withheld. All such improvements shall become the property of Lessor and pass with title to the Property.

**8. MAINTENANCE, CONDITION OF PREMISES**

Lessee accepts the leased premises as is, and is satisfied with the condition of the premises. Lessee shall maintain the leased premises, including all equipment or fixtures, in a good state of repair and clean at all times, at its expense. All refuse shall be completely enclosed within the dumpster on the Property and shall not be placed outside the same at any time. Lessee shall ensure that the premises, and Lessee's use thereof, is at all times in compliance with all applicable laws, ordinances, rules and regulations, including building, health and fire codes, and environmental regulations. Lessee shall observe all sanitation and other laws, ordinances, rules or regulations of the State of Florida, the United States, Pasco County and the City of New Port Richey, Florida, concerning the operation and use of the subject property. Lessor shall maintain, repair and replace (if necessary) the structural, roof, foundation, electrical, plumbing, air conditioning and ventilation systems at the Property.

**9. QUIET ENJOYMENT**

Except as to parties claiming by or through Lessor and Lessor itself, Lessor makes no covenant of quiet enjoyment for the subject property, and Lessor shall be under no obligation to Lessee to institute or defend any proceeding regarding Lessee's right to possession or quiet enjoyment of the leased premises. Lessor shall not be responsible for rebuilding or repairing the leased premises in the event of partial or total destruction thereof, from any cause. Lessee shall provide access to the leased premises to Lessor at any time.

**10. INSURANCE**

A. Lessee shall maintain insurance throughout the Lease Term as provided in this Section. No deductible shall exceed \$2,000.00 on any policy or coverage. On each of the aforesaid insurance policies, Lessor shall be designated as additional insured, and Lessee shall provide Lessor with proof of insurance satisfactory to Lessor. Lessee's insurance shall be primary over any insurance held by Lessor. No insurance policy shall be cancelable without the written consent of Lessor. Any insurer executing a policy required hereunder shall have a currently valid Certificate of Authority issued by the State of Florida, Department of Insurance authorizing it to write insurance policies in the State of Florida and be doing business in the State of Florida. Insurers shall have at least a Policy Holders Rating of A-, and a Financial Rating of Class IV as identified in the latest issue of "Bests Key Rating Guide" unless otherwise accepted by Lessor in writing. Tenant's insurance shall be considered primary. The Certificates of Insurance shall bear the requisite endorsements providing for the "City of New Port Richey" as Certificate Holders and additional insured and shall further provide for waiver of subrogation by Lessee. The Certificate(s) issued pursuant to this Lease shall, at a minimum, bear the name of the insured, the name of the insurer, the number of the policy, its effective date and termination date. For identification purposes, the Certificate(s) shall include a reference to the Property. The Certificate(s) of Insurance shall be in a form approved by Lessor.

B. Renewal certificates shall be sent to Lessor thirty (30) days prior to any expiration date of any policy of insurance. Lessee shall provide immediate notice to Lessor of any Lessee-initiated cancellation, non-renewal or adverse change to the policies required to be obtained and/or maintained pursuant to this Lease. Lessee shall immediately forward to Lessor any notice it receives of cancellation, non-renewal or adverse change to any policy that is initiated by the insurer(s). If requested by Lessor, Lessee shall furnish to Lessor complete copies of all insurance policies, forms and/or endorsements.

C. Lessor reserves the right to request additional information it deems necessary, and at a frequency it deems necessary, to confirm the requisite insurance remains in effect, at the required

levels, for the duration of the Lease Term and any extension or renewal thereof. Receipt of Certificates or other documentation of insurance or policies or copies of policies by Lessor or by any of its representatives which indicate less coverage than required by this Lease does not constitute waiver of Lessee's obligations to fulfill the requirements of this Section.

D. Lessee shall secure the following insurance, or mutually agreed upon variances in insurance coverage, on forms no more restrictive than the latest edition of those filed by the Insurance Services Office, and name Lessor, and its elected officials, officers, employees, volunteers, representatives, attorneys, agents, contractors, and subcontractors as an additional insured to the extent of Lessor's interest:

(1). Workers' Compensation - Statutory - In compliance with the Workers' Compensation law of the State of Florida including employer's liability coverage of at least \$500,000.00; and

(2). Comprehensive General Liability - An occurrence based policy, with a minimum limit of \$1,000,000.00 per person and \$2,000,000.00 per occurrence combined single limit to include:

- (a) Premises – Operations;
- (b) Independent Contractors;
- (c) Products and Completed Operations;
- (d) Broad Form Contractual; and
- (e) Personal Injury.

## **11. TERMINATION**

A. If Lessee defaults in the performance of the terms of this Lease, Lessor may terminate this Lease, upon three (3) days' notice for non-payment of rent, or upon thirty (30) days' notice for breach of provisions of this Lease other than for non-payment of rent. This Lease shall be terminated immediately, without notice, if Lessee abandons, vacates or surrenders the Property, or upon the passage of the aforesaid notice periods without an adequate cure of the default noticed. Notwithstanding the termination of this Lease for any reason, Lessor shall have the right to maintain an action against Lessee for possession and/or damages, including unpaid rent, following Lessee's default in the performance of the terms of this Lease. In the event of default by Lessee, all remaining rent and other charges due through the end of the lease term shall be accelerated and immediately due and payable. Lessee shall be liable for interest at the rate of 18% per annum on any outstanding balance due, including accelerated rent and other charges from the date the same are accelerated. Lessor's failure to terminate this Lease upon any default by Lessee shall not constitute a waiver of any future default by Lessee hereunder.

B. In the event Lessor defaults under any terms hereunder, Lessee shall provide Lessor with written notice of such default and Lessor shall have thirty (30) days to cure the same. In the event Lessor fails to cure said default in the time required, Lessee may terminate this Lease and shall be liable to Lessor for all rent and other charges due and owing through the date of termination.

C. Upon termination, Lessee shall immediately return the Property to Lessor, however terminated, in the same condition as of the Effective Date of this Lease, ordinary wear and tear consistent with the permitted uses excepted. If Lessee fails to return the Property in the condition required by this subparagraph and within the time allotted, Lessor may undertake repairs to restore the Property to said condition and may charge Lessee for any and all costs or expenses incurred to do so. Lessor may apply any rent deposit made by Lessee to the aforesaid costs or expenses, and Lessee shall be liable for any amount remaining due and owing. Lessee shall be liable for double rent for any period in which Lessee retains possession of the Property following termination of the Lease. Any and all personal property or improvements left on the Property shall be deemed to be abandoned and shall become the property of Lessor.

D. In the event the Property is damaged to the extent the same is wholly or substantially uninhabitable and Lessor elects not to repair such damage, Lessor shall notify Lessee of such election and Lessee shall have the right to terminate this Lease upon notice to Lessor, effective as of the date of Lessor's aforesaid notice.

## **12. UTILITIES, TAXES**

Lessee shall pay all charges for water, sanitary sewer, natural gas, garbage, stormwater, electrical, telephone and other utility services at the Property. For the initial six (6) month period from the Commencement Date, Lessee shall only be required to pay the aforesaid utility charges for a prorated amount based upon the ratio the building square footage leased by Lessee bears to the square footage of the entire building. Lessee shall pay any and all taxes imposed against the Property or Lessee's use thereof imposed by any governmental authority. If property taxes are due against the Property during the term of this Lease, Lessee shall pay the same and be given a credit toward rent for the portion thereof that would be due to the City of New Port Richey, only, upon proof of Lessee's payment of the full tax due.

## **13. SIGNS**

Lessee shall not attach, affix, or permit to be attached or affixed upon the Property any flags, placards, or signs, or any supporting poles, wires, equipment or fixtures unless duly approved by Lessor. In addition to approval of Lessor, Lessee shall be responsible for securing any necessary permits for the installation of any signs or other amenities. The signs depicted in Exhibit "C" attached hereto and incorporated herein by reference, shall be deemed approved.

## **14. DAMAGE TO PROPERTY**

A. If the Property is partially damaged by fire or other casualty insured under Lessee's insurance policies, then upon receipt of the insurance proceeds, Lessee shall, except as otherwise provided herein, promptly repair and restore the Property substantially to the same condition existing immediately prior to such damage or destruction, and shall repair, restore, or replace all improvements, fixtures and contents (where applicable) in the Property to at least a condition equal to that existing prior to the damage or destruction.

B. If, by reason of such fire or casualty, the Property is rendered wholly unusable or unsuitable for occupancy, the rent payable by Tenant shall be fully abated, or if only partially unusable or unsuitable for occupancy, shall be abated proportionately as to that portion of the Property rendered unusable or unsuitable for occupancy, from the date of such casualty until the Property is substantially repaired and restored. Lessee shall continue use of the Property or any part thereof not so damaged, or rendered unusable or unsuitable for occupancy, during any such period to the extent reasonably practicable.

However, if such damages or other casualty shall be caused by the negligence or wrongful conduct of Lessee or its respective agents or employees, there shall be no abatement of rent. Except for the abatement of rent set forth in this subparagraph, Lessee shall not be entitled to, and hereby waives, all claims against Lessor for any compensation or damages for loss of use of the whole or any part of the Property and for any inconvenience, loss of business, lost profits or economic losses occasioned by any such damage, destruction, repair or restoration.

C. If the Property is damaged by any act or omission of Lessee, its employees, invitees, agents, representatives, contractors, or subcontractors, Lessee shall promptly repair and restore the Property substantially to the same condition existing immediately prior to such damage or destruction, and shall repair, restore, or replace all improvements, fixtures, and contents (where applicable) to at least a condition equal to that existing prior to the damage or destruction at Lessee's sole cost and expense. In the event Lessee fails to make any such repairs in a timely manner, Lessor may, in its sole discretion, complete any repairs as Lessor deems necessary. Lessee shall be responsible for payment of any costs and expenses incurred by Lessor in making any repair to the Property as provided herein.

#### **15. INDEMNIFICATION**

Lessee shall indemnify and hold Lessor, its officers, officials, employees, volunteers, representatives and agents, harmless from all claims, demands, suits, actions or losses, including all costs, expenses and attorneys' fees through all appellate proceedings, incurred by Lessor in defending against any such claims, arising or alleged to arise from any act, omission or use of the premises by Lessee or Lessee's agents, employees or contractors, or arising from any injury to the person or property of anyone on the leased premises during the term of this Lease and including claims for injunctive or equitable relief. This indemnification provision shall survive the termination of this Lease, however terminated. This indemnification provision shall not be limited by the amount of any insurance required to be maintained or obtained under this Lease. This indemnification provision includes claims made by employees and patrons of Lessee against Lessor; and Lessee waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. Nothing contained herein shall be construed as a waiver of any immunity from, or limitation of, liability Lessee may have under the doctrine of sovereign immunity or Section 768.28, Florida Statutes. The foregoing indemnification provision shall be endorsed onto or attached to the insurance policies and Certificate(s) of Insurance procured pursuant to Section 9 of this Lease.

#### **16. 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 the county public health unit. Lessee shall hold Lessor harmless against any claim for damages resulting in exposure to radon gas on the leased premises, whether said claim is made by the Lessee, its agents, employees, invitee, licensees, or any other third party.

#### **17. NOTICES**

Any notices provided hereunder shall be in writing mailed by certified U.S. Mail, return receipt requested, and shall be effective upon deposit into the mail. Notices to Lessor, shall be delivered to the parties, as follows:

Lessor: Executive Director/City Manager  
City of New Port Richey  
Community Redevelopment Agency  
5919 Main Street  
New Port Richey, FL 34652

Lessee: Grand Blvd Investments, LLC  
6345 Grand Boulevard  
New Port Richey, FL 34652  
Attn: George Stacy

**18. LITIGATION**

In any action brought to enforce the terms of this Lease or to recover possession of the leased premises, the prevailing party shall be entitled to recover reasonable attorney fees, through all appellate proceedings. The venue for any such action shall be in Pasco County, Florida, and this agreement shall be construed according to the law of the State of Florida.

**19. ENTIRE AGREEMENT**

This agreement constitutes the entire agreement between the parties, and all prior representations are merged herein and not binding upon the parties. This agreement may only be modified in writing, approved by the Board of Directors/City Council or Executive Director/City Manager of Lessor, as appropriate.

**20. MUTUAL DRAFTING**

The Parties acknowledge and agree that this Lease is the product of mutual drafting, each being represented by or having the opportunity to be represented by independent legal counsel, and that the terms hereof shall not be construed against any party based on the drafting of the same.

**21. MISCELLANEOUS**

The headings used herein are for convenience only and shall not be considered in interpreting this agreement. Lessor's failure to act upon any default shall not constitute a waiver of Lessor's right to act upon that default or any other default hereunder. If any portion of this Lease is declared to be invalid, the remaining portions thereof shall remain in full force and effect. This Lease may not be assigned by Lessee, without the written consent of Lessor, which may be exercised in Lessor's sole and absolute discretion. The parties acknowledge their respective full authority to enter into this Lease and agree to be bound hereby.

**22. PURCHASE OPTION**

So long as Lessee is not in default under the terms of this Lease, Lessee shall have the option to purchase the Property at any time during the Lease Term (hereinafter "Purchase Option"). Lessee shall exercise said option by providing notice to Lessor in writing of its election. Within fifteen (15) days, the purchase contract attached hereto as Exhibit "D" (hereinafter "Purchase Contract"), shall be thereafter executed by the parties and shall thereupon be in full force and effect as of the date of the last signature thereon. The purchase price for the Purchase Contract shall be Five Hundred Fifty Thousand and 00/100 Dollars (\$550,000.00) as of the Commencement Date, and shall increase by three percent (3%) on each anniversary thereof until the Purchase Option is exercised hereunder, less ten percent (10%) of the total rent paid by Lessee through the closing date of the Purchase Contract

and the approved cost of the window replacement work performed by Lessee on the Property as provided herein. Lessee shall continue to make all required rent payments through to the closing date of the Purchase Contract.

IN WITNESS WHEREOF, the Lessor and Lessee affix their hands and seals, by and through their respective duly authorized agents, on the day, month, and year first above written.

APPROVED AS TO FORM:

CITY OF NEW PORT RICHEY, FLORIDA  
COMMUNITY REDEVELOPMENT AGENCY

\_\_\_\_\_  
Timothy P. Driscoll, General Counsel

\_\_\_\_\_  
Debbie L. Manns, Executive Director

Attest:

GRAND BLVD INVESTMENTS, LLC

\_\_\_\_\_  
Judy Meyers, City Clerk

BY: \_\_\_\_\_

\_\_\_\_\_  
Name, Title (Printed)

**EXHIBIT "A"**

**Legal Description**

**05-26-16-0010-00100-0200**

Assessed in Section 05, Township 26 South, Range 16 East  
of Pasco County, Florida

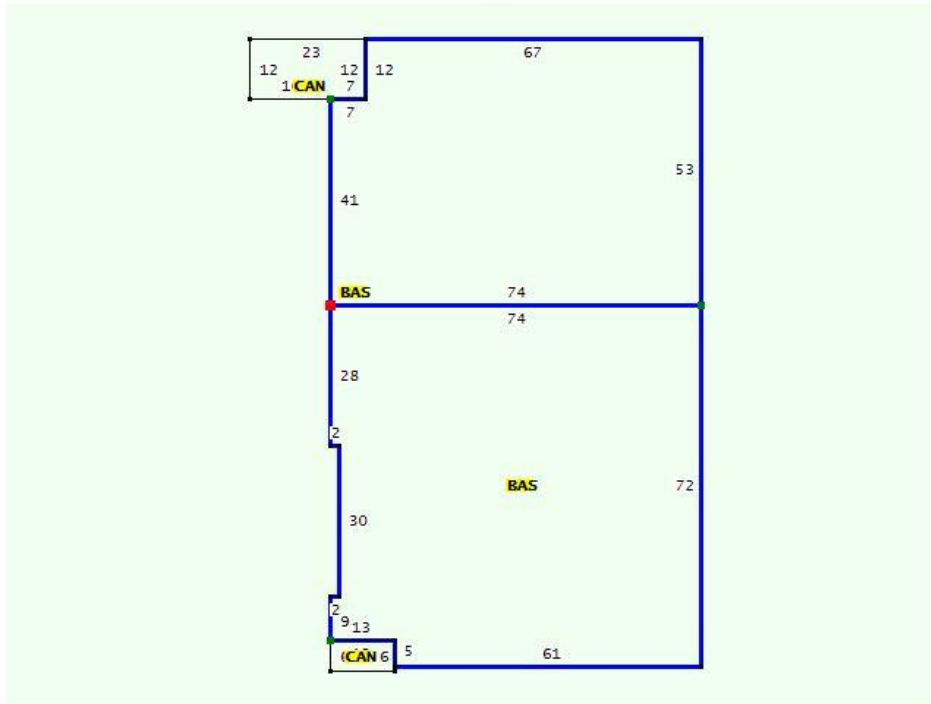
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AVERY & SIMS SUBDIVISION REPLAT OF BLOCK 1 AVERY & SIMS PB 5 PG 10 EAST 35.00  
FT LOT 19 ALL OF LOT 20 & EAST 100.00 FT LOT 21 BLOCK 1 OR 6760 PG 1336

**Generalized Building Schematic**

05-26-16-0010-00100-0200

Card: 001



## EXHIBIT "B"

### LESSEE'S WORK AND LESSOR'S WORK

#### **Description of Lessee's Work:**

Remove masonry at three existing in-fill areas and install new storefront windows

- 2 EA approx. 9' x 8'
- 1 EA approx. 6' x 8'

#### **Description of Lessor's Work:**

##### **City Work**

- Install Awnings.
- Upgrade the entryway, with improvements to the façade design of primarily the door entry. Basically dress up the entry with pavers and reface the concrete on the entry to improve the look.
- Improve the entry walkway, likely with pavers and fill-in the bad concrete across the front of the building. These are cosmetic improvements
- Remove the large bank of windows on the east wall, upgrade the glass or coat it with a glazing to serve as a heat barrier and clean up the metal. These windows are in need of repair and would be a good and reasonable improvement to that area.
- Replace ceiling tiles to improve the look.

**EXHIBIT “C”**

**Approved Signage**