

**SPECIAL MEETING
CITY COMMISSION
CITY OF APALACHICOLA, FLORIDA
TUESDAY, April 24, 2018 - 6:00 PM
APALACHICOLA COMMUNITY CENTER
1 BAY AVENUE, APALACHICOLA, FLORIDA**

AGENDA

You are welcome to speak or comment on any matter under consideration by the Apalachicola Board of City Commissioners when recognized to do so by the Mayor. Once recognized please rise to the podium, state your name for the record and adhere to the three minute time limit.

I. SPECIAL MEETING:

- 1. Adoption Decision - Resolution 2018-04**
- 2. Open and Award Bid - Matchbox Roof**
- 3. HCA Update**
- 4. Budget/Personnel Discussion**
- 5. Fire Department Certifications**
- 6. Harbor Master Lease - Florida Geotourism**

Any person who desires to appeal any decision at this meeting will need a record of the proceeding and for this purpose, may need to ensure that a verbatim record of the proceeding is made which includes testimony and evidence upon which the appeal is based. Persons with disabilities needing assistance to participate in any of these proceedings should contact the City Clerk's Office 48 hours in advance of the meeting.

Lee Mathes

From: George Pruett <pru911@gtcom.net>
Sent: Tuesday, April 10, 2018 3:48 PM
To: Jay Abbott; Chief George Watkins; Dini Dolan; Kelly Rowland; Nikol Tschaepe; Doug Creamer; Jean Lane; Kenneth Radford; John Chandler(Lanark Fire cheif); ricky@franklincountyflorida.com; cheryl@franklincountyflorida.com; noah@franklincountyflorida.com; william@franklincountyflorida.com; Lee Mathas; Brenda Ash; Carl Whaley
Subject: Fire fighter 1 class

We met with Brad Price yesterday to schedule the fire fighter 1 class. The class will cost 500.00 per candidate and each candidate will have to have a physical before we start. I have spoken with Eastpoint Medical and they are going to get back with me about scheduling and cost as well. The class will start in June, and we will have class two nights per week and one Saturday per month for skills training. As soon as the instructors let me know I will pass along the scheduling as it will be dependent on their work schedule . The classes will be held at the Eastpoint Fire House from 6:00 pm to 10:00 pm. The book needed for the class is Brady Essentials for Fire fighting and Station operations sixth edition. I have found this book on Amazon for around 70.00 with free prime shipping. Please poll your members and lets get a head count for this class. If you have any questions, please contact me at 850-670-9000 or email at pru911@gtcom.net. Also, If anyone has a contact email for Dog Island, please send it to me or forward this email.

Thanks

George Pruett-Chief
Eastpoint Volunteer Fire Department

John I. Alber

160 9th Street
Apalachicola, Florida 32320
Phone: 314-705-2772
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Web: <https://www.linkedin.com/in/johnalber/>

April 12, 2018

Mayor Van Johnson
and Members of the City Commission
City of Apalachicola
1 Avenue E
Apalachicola, FL 32320

Mr. Mayor and Members of the Commission:

In connection with my role as a volunteer acting at the City's request in connection with a prospective lease of the Harbor Master Building, this letter will serve as my final report.

After careful review, I found the lease that Attorney Floyd presented to Florida Geotourism Associates (Robin and Mike Vroegop) was one no reasonable businessperson would ever sign. It was punitive in ways I have rarely seen, and in stark contrast with more mainstream leases, such as the Seafood Festival lease mentioned during the Commission meeting. If you wish me to give examples of what I mean, I can do so at the next Commission meeting. My judgment was that the City's lease was a key part of the problem and an important source of the upset that was evident in the Commission meeting in which I was appointed.

In an effort to arrive at a lease that fairly represents both parties in this matter, I set aside the City's lease, as well as the quite reasonable lease tendered by the Vroegop's attorney, and drafted a compromise lease. It is based on a so-called "triple net" form regularly used in the landlord-oriented real estate practice at my former firm. That practice is one of the largest in the country, and I have no doubt the form embodies mainstream real estate lease standards. I have no idea how Attorney Floyd regards this lease, because he has not availed himself of repeated opportunities to suggest changes to it.

I attach the lease I drafted. I believe that it fairly represents the business interests of both the City and Florida Geotourism Associates, and, indeed, is more protective of the City than was the Seafood Festival lease. I recommend that the City execute this lease, and I understand that Florida Geotourism Associates is ready to execute it as well.

I am retired from practice and cannot serve as an attorney for the City or anyone else here. I, therefore, cannot advise as to how best to proceed. Thus, I tender this final report and conclude my role in this matter. I am proud to have served and hope I have been of service.

Sincerely,


John Alber

LEASE AGREEMENT

1. **Parties.** This Lease, dated as of this 1st day of May, 2018, is made by and between the City of Apalachicola, a Florida municipality (herein called "Lessor"), and Florida Geotourism Associates, LLC, a Florida corporation (herein called "Lessee").

2. **Premises.** In consideration of the covenants and agreements contained herein, Lessor hereby leases to Lessee, and Lessee hereby leases and takes from Lessor, for the term, at the rent, and upon all of the conditions set forth herein, that certain real property (the "Land") a building (the "Building") and related fixtures and improvements (the "Related Improvements") located at or commonly known as the Harbormaster Building, as described with greater particularity on Exhibit A attached hereto. The Land, the Building and the Related Improvements, and all easements, rights and appurtenances thereunto pertaining, are herein called the "Premises."

3. Initial Term and Extension.

3.1 **Initial Term.** The initial term of this Lease (the "Initial Term") shall be for a period of six (6) years, commencing on May 1, 2018 (the "Commencement Date") and expiring on April 30, 2024, both dates inclusive.

3.2 **Option to Extend.** Lessee shall have four successive options to extend the term of the Lease for an additional year. Upon exercising an option to extend, all provisions of this Lease will remain in effect, except that the term of this Lease will be extended by one year (the "Extended Term").

3.3 **Exercising Options to Extend Lease Term.** To exercise the first option to extend the term of this Lease, Lessee shall notify Lessor in writing at least six months before the end of the of the Initial Term that it is exercising its option to extend the term of this Lease for an additional year. To exercise subsequent options to extend the term of this Lease, Lessee shall notify Lessor in writing at least six months before the end of the Extended Term that it is exercising its option to extend the term of this Lease for an additional year.

4. Rent and Security Deposit.

4.1 **Initial Term Rent.** Lessee agrees to pay to Lessor at such place as Lessor may designate, and Lessor agrees to accept, as rent for the Premises ("Rent"), the total sum of one thousand Dollars (\$1,000.00) per month (the "Initial Term Rent") in lawful money of the United States.

4.2 **Extended Term Rent.** The Rent for the first Extended Term year shall be the Initial Term Rent plus an additional four percent (4%) of the Initial Term Rent. The Rent for each successive Extended Term year shall be the prior year's Rent plus an additional four percent (4%) of the prior year's Rent.

4.3 **Security Deposit.** In recognition of improvements already made as of the date of this agreement, Lessor hereby waives any requirement for a security deposit by Lessee.

4.4 Payment of Rent. Rent shall be payable in advance on the first (1st) day of each month, commencing on the date hereof and continuing until the expiration of the Initial Term or any extension thereof. Rent for any period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment.

4.5 Late Payment of Rent. Rent shall be delinquent if not paid by the first (1st) day of each month. If payment is received after the first (1st) day of any month, there will be a ___% per day interest charge on the unpaid balance for each day past the due date. A late payment charge of ___% per day will also be charged for each day past the due date.

5. Condition of Premises. Lessee hereby accepts the Premises in their "AS IS" condition on the date of first occupancy.

6. Use of Premises.

6.1 General Use. The Premises shall be used and occupied for any lawful purpose connected with water-borne recreational tourism, and, specifically, connected with water tours by kayak and other small water craft, and for such other purposes as the City Commission for the City of Apalachicola (the "Commission") shall expressly approve. Lessee shall comply with all laws, ordinances, orders and regulations pertaining to the condition and Lessee's use of the Premises.

6.2 Public Use. A portion of the Premises, including the open area on the second floor and a portion of the common area near the entrance of the building ("Community Space"), will be open to the public during Lessee's regular business hours. Lessee will facilitate the use of the Community Space for community meetings, public displays of art, historically or culturally significant items, or other uses consistent with a public gallery space. Lessor agrees to define, implement and enforce rules of use for the space underneath the bottom floor of the building which is not a part of the leased Premises. Such rules should include prohibition against storage of noxious and hazardous materials, and dangerous activities in that space.

7. Maintenance, Repairs, Alterations and Improvements.

7.1 Lessee's Obligations Generally. In furtherance of Lessor's and Lessee's joint interest in improving the condition of the Premises, Lessee agrees to undertake certain, but not all, duties related to maintenance and improvements in connection with the Premises, as hereinafter specified. Lessee shall, except as provided herein, (a) at Lessee's sole cost and expense, perform all maintenance, repairs and replacements required to keep the Premises in the same condition as exists on the Commencement Date, ordinary wear and tear and loss by casualty or condemnation excepted, and (b), in addition to payment of Rent, Lessee shall undertake such deferred maintenance and shall make such improvements as are specified in Exhibit B attached hereto, and do so in the manner and at the time specified therein.

7.2 Maintenance and Repairs. Lessee shall keep in good order, condition and repair the Premises and every part thereof, as the same exists on the Commencement Date, subject to the provisions of Section 7.3 and 7.4 hereof, provided, however, Lessor will maintain the

Premises exterior in a good and safe condition at its sole cost. Lessor is responsible for all maintenance, repair, and replacement of the structural components; exterior siding, cornice, trim, and woodwork; the roof; exterior electrical wiring; parking lot; and exterior lighting. Subject to the provisions of Section 8.4 hereof, Lessee, at Lessee's sole cost and expense, shall repair any damage to the Premises caused by Lessee, its employees, agents, contractors or invitees.

7.3 Surrender. On the last day of the Term, or upon any sooner termination, Lessee shall surrender the Premises to Lessor in the same condition as when received, subsequent alteration as per Exhibit B and ordinary wear and tear and loss by casualty and condemnation excepted, clean and free of debris. Lessee shall repair any damage to the Premises occasioned by the installation or removal of Lessee's portable trade fixtures, furnishings or equipment or arising from Lessee's use of the Premises.

7.4 Alterations and Additions. Subject to the approval of the Commission, Lessee shall have the right from time to time throughout the Term to make such alterations, extensions, improvements and other changes to the Premises as Lessee shall require; provided, however, that such alterations, extensions, improvements and other changes shall not reduce the fair market value of the Premises and shall be performed in a good and workmanlike manner, in compliance with all applicable laws and ordinances, free of liens or claims for labor or materials and any other claims whatsoever.

7.5 Protection Against Liens. From and after the Commencement Date, Lessee shall pay, as and when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use in the Premises, which claims are or may be secured by any mechanics' or materialmen's liens against the Premises or any interest therein. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole expense defend itself and Lessor against the same and shall pay and satisfy any such adverse judgment that may be rendered thereon before the enforcement thereof against the Lessor or the Premises, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in any amount equal to such contested lien, claim or demand indemnifying Lessor against liability for the same and holding the Premises free from the effect of such lien or claim.

7.6 Environmental Indemnity and Release. Lessee hereby releases, indemnifies and holds harmless Lessor, and Lessor's respective employees and agents (the "Indemnified Parties") and contractors and agrees to defend them against any lawsuits or claims for any liability, injuries, damages, penalties or fines (including reasonable attorneys' fees and expenses) arising from or relating to the disposal, discharge, release or spilling into or onto the air, water, soil, sewer system or similar media of any hazardous materials which disposal, discharge, release or spill, whether accidental or intentional, occurs on, within or from the Premises during the Term except to the extent such disposal, discharge, release or spill is caused by the negligent or willful misconduct of the Indemnified Parties, provided that negligence or willful misconduct shall not be alleged solely on the basis of Lessor's ownership or control of the Premises or on any action or inaction on the part of Lessor with respect to the remediation of hazardous materials released on or from the Premises by parties other than any of the Indemnified Parties. The foregoing provisions of this Section 7.6

shall survive the expiration of the Lease.

7.7 Indemnification. Lessee hereby indemnifies and holds Lessor harmless from and against any loss, cost, damage, claim, demand or expense (including reasonable attorney's fees and expenses) resulting from any death or injury to persons or loss of or damage to property occurring on or about the Premises as a result of the negligent act or negligent omission to act or intentional misconduct of Lessee, its employees, agents, contractors or invitees, excepting, however, any loss, cost, damage, claim, demand or expense to the extent resulting from the negligent act, negligent omission to act or intentional misconduct of Lessor, its employees, agents, contractors or invitees. The foregoing provisions of this Section 7.7 shall survive the expiration of the Lease.

8. Insurance.

8.1 Coverage. Lessee shall, during the Lease Term, procure at its expense and keep in force the following insurance:

8.1.1 Commercial general liability insurance naming the Lessor as an additional insured against any and all claims for bodily injury and property damage occurring in, or about the Premises arising out of Lessee's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000) aggregate limit. Such liability insurance shall be primary and not contributing to any insurance available to Lessor and Lessor's insurance shall be in excess thereto. In no event shall the limits of such insurance be considered as limiting the liability of Lessee under this lease.

8.1.2 Personal property insurance insuring all equipment, trade fixtures, inventory, fixtures, and personal property located on or in the Premises for perils covered by the causes of loss - special form (all risk) and in addition, coverage for flood, wind, earthquake, terrorism and boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the foregoing.

8.1.3 Business interruption and extra expense insurance in such amounts to reimburse Lessee for direct or indirect loss attributable to all perils commonly insured against by prudent Lessees or attributable to prevention of access to the Premises or the Building as result of such perils.

8.1.4 Workers' compensation insurance applicable in accordance with statutory law.

8.2 Lessor's Policies. On Lessee's request, Lessor shall provide Lessee with a copy of Lessor's current certificates of insurance on the Premises.

8.3 Lessee's Insurance Policies. The policies required to be maintained by Lessee shall be with companies rated A- X or better by A.M. Best, Insurers shall be licensed to do business in the state in which the Premises are located and domiciled in the USA. Certificates of insurance, naming Lessor as Additional Insured and Loss Payee shall be delivered to Lessor prior to the Lease Commencement Date and annually thereafter at least thirty (30) days prior to the policy expiration date. Lessee shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such blanket policy expressly affords coverage to the Premises and to Lessor as required by this Lease. Each policy of insurance shall provide notification to Lessor at least thirty (30) days prior to any cancellation or modification to reduce the insurance coverage.

8.4 Waiver of Subrogation. Lessee and Lessor each hereby waives and releases the other, and waives its entire right of recovery against the other, for loss of or damage to property, real and/or personal arising out of or incident to the perils insured against under this Lease and under any other insurance applicable to the Premises, which perils occur in, on or about the Premises, whether due to the negligence of Lessor or Lessee or their agents, employees, contractors and/or invitees. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease and request issuance of an endorsement confirming waiver of the insurance company's right of recovery pursuant to this Section 8.4, and the obligation to obtain such endorsement from either party's insurer shall be contingent on issuance of such endorsement by the other party's insurer.

9. Damage or Destruction.

9.1 Damage to Premises. If, prior to or during the Lease Term, or any extension by renewal thereof or otherwise, the Premises shall be so damaged or destroyed by fire or other casualty so as to render it untenable, or if the Premises is materially destroyed or damaged to the extent that the restoration of such, in Lessor's reasonable opinion, is not economical or feasible, then Lessor shall have the right to cancel and terminate this Lease. If not terminated, then Lessor shall repair and restore the Premises with all reasonable speed to substantially the same condition as immediately prior to such damage or destruction, except as to interior improvements made or placed in the building before on behalf of Lessee and the Rent or a just and proportionate part thereof, according to Lessee's ability to utilize the Premises in its damaged condition, shall be abated until the Premises shall have been repaired and restored by Lessor. "Untenantable" Premises shall be such as to not allow Lessee to transact and effectuate its operations in the ordinary course of business and shall be determined by Lessor in its reasonable opinion.

9.2 Business Interruption. Other than rental abatement as and to the extent provided in Section 9.1, no damages, compensation or claim shall be payable by Lessor for inconvenience or loss of business arising from interruption of business, repair or restoration of the Building or Premises.

9.3 Damage Near End of Term. Anything herein to the contrary notwithstanding, if the Premises are destroyed or damaged during the last three (3) months of the Lease Term or any extension thereof, Lessor shall have the right to terminate this Lease upon thirty

(30) days prior written notice to Lessee, which termination shall be effective on the thirtieth (30in) day after Lessee's receipt of such notice. Such notice must be delivered within thirty (30) days after such casualty, or shall be deemed waived.

9.4 Termination - Advance Payments. Upon termination of this Lease pursuant to this Section 9, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor .

9.5 Waiver. Lessor and Lessee waive the provision of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

10. 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. If the Leased Premises must be vacated by the Lessee due to elevated levels of Radon (as determined by federal, state or county authorities) rent shall abate during that such period until such time as the Lessee may return to the Leased Premises (as determined by federal, state or county authorities).

11. Utilities, Janitorial and Other Services, Parking, Signage.

11.1 Utilities. Lessee shall pay for the consumption of all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises, together with any taxes thereon. Lessor shall provide Lessee with separately metered water service.

11.2 Janitorial, Cleaning and Other Services. Lessee shall provide janitorial services for all above-ground-level space in the Premises. Lessee shall provide termite and pest control for the Premises. Lessee shall maintain the Premises to commercially reasonable standards of cleanliness and freedom from debris or clutter.

11.3 Parking. Parking areas adjacent to the Premises shall be available on a first-come-first-served basis, provided, however, that Lessor agrees to provide Lessee a minimum of one reserved Americans with Disabilities Act ("ADA")-compliant parking space at the ground level entry to the rear of the Premises for Lessee's use.

11.4 Signage. Lessee shall be responsible for all signage, including installation of signage related to parking spaces in compliance with the ADA. All signage shall be subject to the City's approval, which shall not be unreasonably withheld, and shall be installed and remain in compliance with City of Apalachicola ordinances regarding the same.

12. Assignment and Subletting. Lessee shall have the right to assign this Lease or to sublet all or any portion of the Premises; provided, however, that Lessee shall have obtained the prior consent of the Commission in each instance, such consent not to be unreasonably withheld, and provided further that no such subletting or assignment shall release Lessee from any

obligation under this Lease. Should Lessee desire to sublease space in the Premises, it shall give Lessor written notice thereof at least 60 days prior to the proposed commencement date of the sublease, specifying the identity of the subtenant and the nature of subtenant's use of the space. Failure of Lessor to respond within 30 days shall be taken as approval.

13. Defaults; Remedies.

13.1 Defaults. The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Lessee:

(a) The failure by Lessee to make any payment of Rent or any other payment required to be made by Lessee hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof from Lessor to Lessee.

(b) The failure by Lessee to observe or perform any of the express covenants, conditions or provisions of this Lease to be observed or performed by Lessee, other than described in paragraph (a) above, where such failure shall continue for a period of thirty (30) days after written notice thereof from Lessor to Lessee; provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then Lessee shall not be deemed to be in default if Lessee commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

(c) (i) The making by Lessee of any general arrangement or assignment for the benefit of creditors; (ii) Lessee becomes a "Debtor" as defined in 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver to take possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within sixty (60) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within sixty (60) days.

13.2 Remedies. In the event of any such material default or breach by Lessee, Lessor may at any time thereafter, with or without notice or demand and without limiting Lessor in the exercise of any right or remedy which Lessor may have by reason of such default or breach:

(a) Terminate Lessee's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Lessee shall immediately surrender possession of the Premises to Lessor. In such event Lessor shall be entitled to recover from Lessee all accrued Rent and other charges.

(b) Maintain Lessee's right to possession in which case this Lease shall continue in effect. In such event Lessor shall be entitled to enforce all of Lessor's rights and remedies under this Lease, including the right to recover Rent and other charges as the same become due hereunder.

(c) Notwithstanding anything to the contrary contained in this Section 13, Lessor shall use reasonable efforts to mitigate its damages in the event of a default by Lessee hereunder.

13.3 Default by Lessor . Lessor shall not be in default hereunder unless Lessor fails to perform obligations required of Lessor within a reasonable time, but in no event later than thirty (30) days after written notice by Lessee to Lessor and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have been furnished to Lessee in writing, specifying wherein Lessor has failed to perform such obligation; provided, however, that if the nature of Lessor 's obligation under this Lease is such that more than thirty (30) days are required for performance, then Lessor shall not be in default if Lessor commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

14. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Improvements, or more than 25% of the Land (or more than 25% of the Land constituting parking areas) which is not occupied by any building, or if any right of access is taken by condemnation, Lessee may, at Lessee's option, to be exercised in writing within ninety (90) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within ninety (90) days after the condemning authority shall have taken possession) terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area of the Improvements taken bears to the total floor area of the Improvements situated on the Premises. Any award for the taking of all or any part of the Premises under the power of eminent domain or any payment made under threat of the exercise of such power shall be the property of Lessor ; provided, however, that Lessee shall be entitled to any award providing compensation for loss of Lessee's leasehold estate and for loss of or damage to Lessee's leasehold improvements, trade fixtures and removable personal property or for moving expenses. In the event that this Lease is not terminated by reason of such condemnation, Lessee, at its sole cost, but subject to the availability of the proceeds of the condemnation award, shall promptly repair any damage to the Premises caused by such condemnation.

15. Jury Waiver and Venue.

15.1 Waiver of Right to Jury Trial. Lessor and Lessee waive their respective rights to trial by jury of any contract or tort claim, counterclaim, cross-complaint, or cause of action in any action, proceeding, or hearing brought by either party against the other on any matter arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee, or Lessee's use or occupancy of the Premises, including any claim of injury or damage or the enforcement of any remedy under any current or future law, statute, regulation, code, or ordinance.

15.2 Venue. Lessor and Lessee agree that venue for any dispute arising in connection with this Lease under state law shall be set in Franklin County, Florida.

16. **Estoppel Certificate.** Each party shall at anytime upon not less than ten (10) days' prior written notice from the other execute, acknowledge and deliver to the requesting party a statement in writing (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to such reporting party's knowledge, any uncured defaults on the part of the other party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser or mortgagee of the Premises or Lessee's leasehold estate, as the case may be.

17. **Severability.** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

18. **Time of Essence.** Time is of the essence with respect to any party's performance of an obligation hereunder.

19. **Amendments.** This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

20. **Notices.** Any notice required or permitted to be given hereunder shall be in writing and may be given by personal delivery or by certified mail and if given personally or by mail, shall be deemed sufficiently given if addressed to Lessee or to Lessor at the address noted below:

Lessor : City of Apalachicola
1 Avenue E
Apalachicola, FL 32320

With a copy to:
Law Offices J. Patrick Floyd
20 Avenue E
Apalachicola, FL 32320

Lessee: Florida Geotourism Associates, LLC
145 Avenue C
Apalachicola, FL 32320

Either party may by written notice to the other specify a different address for notice purposes. A notice delivered personally shall be deemed received when delivered. A notice delivered by certified mail shall be deemed received on the third business day after deposit in the mail. A copy of all notices required or permitted to be given to Lessor hereunder shall be concurrently transmitted to such party or parties at such addresses as Lessor may from time to time hereafter designate by notice to Lessee.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease the day and year first above written.

LESSOR :

By: _____
Name:
Title:

LESSEE:

By: _____
Name:
Title:

EXHIBIT A

Legal Description of Property

The Premises shall be the Harbor Master House or Building located at 479 Market Street, Apalachicola, Florida 32320, consisting of the entirety of the first above-ground floor, including both heated and cooled space and unheated and uncooled space, and the entirety of the second above-ground floor. The Premises shall not include the ground-level space directly underneath the Harbor Master Building, provided, however, that certain Lessee obligations pertaining to the Premises may relate to that ground-level space.

EXHIBIT B

Deferred Maintenance and Improvements

As consideration for this Lease and in furtherance of the parties' shared interest in upgrading and improving the Premises, Lessee shall accomplish the following items of deferred maintenance and improvements. All work shall be done to commercially reasonable standards, as practiced in Franklin County, Florida, and shall be subject to preliminary approval, inspection and final approval by Lessor, which approval shall not be unreasonably withheld.

1.0 Initial Term Year 1.

During the first year of the Initial Term, Lessee shall undertake and complete as soon as reasonably practicable the following improvements and items of deferred maintenance:

- 1.1 **North Side HVAC.** Installation of a new HVAC system sufficient to heat and cool the north side interior covered areas of the Premises to commercially reasonable standards, and providing a minimum of 2 tons of cooling capacity and 24,000 BTUs of heating capacity.
- 1.2 **Carpet Replacement.** Replacement of the carpet in the reception area, kitchen, north front corner office, and south front corner office of the Premises (about 1,019 square feet);
- 1.3 **Refrigerator.** Replacement of the under-the-counter refrigerator.
- 1.4 **Water Heater.** Replacement of the water heater, if needed.
- 1.5 **Interior Improvements.** Cosmetic improvements to interior walls, finishes and window treatments, electrical and plumbing improvements.
- 1.6 **Doors and Hardware.** Renovate interior doors and door hardware. Re-key locks.

2.0 Initial Term Year 2.

During the second year of the Initial Term, Lessee shall undertake and complete as soon as reasonably practicable the following improvements and items of deferred maintenance:

- 2.1 **South Side HVAC.** Installation of a new HVAC system sufficient to heat and cool the south side interior covered areas of the Premises to commercially reasonable standards, and providing a minimum of 2 tons of cooling capacity and 24,000 BTUs of heating capacity.
- 2.2 **Exterior Doors.** Re-frame and replace exterior doors.
- 2.3 **Exterior Decking.** Clean and repair exterior decking.

3.0 Initial Term Year 3.

During the third year of the Initial Term, Lessee shall undertake and complete as soon as reasonably practicable the following improvements and items of deferred maintenance:

- 3.1 **Remaining HVAC.** Installation of a new HVAC system sufficient to heat and cool the remaining interior covered areas of the Premises to commercially reasonable standards, and providing a minimum of 4 tons of cooling capacity and 48,000 BTUs of heating capacity.
- 3.2 **Siding and Decking.** Stain and treat all exterior siding and decking.

4.0 Initial Term Year 4.

During the fourth year of the Initial Term, Lessee shall undertake and complete as soon as reasonably practicable the following improvements and items of deferred maintenance:

- 4.1 **Grant Applications.** Lessee and Lessor shall cooperate on a best efforts basis to secure grants for the renovation of the Premises so as to comply with all applicable ADA requirements. Lessee's obligations with respect to ADA-related work in this year are contingent on receiving such grants in an amount adequate to accomplish the tasks specified in this section.
- 4.2 **ADA Ramp.** Replacement of the exterior ADA ramp.
- 4.3 **Stairs.** Renovation of exterior stairs.
- 4.4 **Landscaping.** Landscaping in the area immediately surrounding the premises.

5.0 Initial Term Year 5.

During the fifth year of the Initial Term, Lessee shall undertake and complete as soon as reasonably practicable the following improvements and items of deferred maintenance:

5.1 Grant Applications. Lessee and Lessor shall cooperate on a best efforts basis to secure grants for the renovation of the Premises so as to comply with all applicable ADA requirements. Lessee's obligations with respect to ADA-related work in this year are contingent on receiving such grants in an amount adequate to accomplish the tasks specified in this section.

5.2 Restrooms. Undertake a major renovation of Premises restrooms, excepting plumbing, which shall remain intact, so as to comply with all then-applicable ADA standards.

6.0 Initial Term Year 6.

During the sixth year of the Initial Term, Lessee shall undertake and complete as soon as reasonably practicable the following improvements and items of deferred maintenance:

6.1 Carpet replacement. Replace carpet in the north 730 square feet of the first floor of the Premises.