

**ABSOLUTE TRIPLE NET
NON-SUBORDINATED GROUND LEASE
(16 KANNER LLC)**

LESSOR:

CITY OF STUART, FLORIDA

and

LESSEE:

16 KANNER LLC

Dated as of 15th June, 2018

ABSOLUTE NET- NON-SUBORDINATED TRIPPLE NET GROUND LEASE

(2375 South Kanner Highway, Stuart, Florida)

THIS ABSOLUTE NET - NON-SUBORDINATED GROUND LEASE (hereinafter "Lease") is made and executed as of the 15th day of June, 2018 between the **CITY OF STUART**, Florida, a municipal corporation, 121 SW Flagler Avenue, Stuart, Florida 34994-2139, hereinafter referred, to as "Lessor", and **16 KANNER LLC**, 15651 SW Palm Ave., Indiantown, Florida 34956 a Florida Limited Liability Company, hereinafter referred to as "Lessee."

Section 1. Demise, Description and Use of Premises.

(a) In consideration of the sum of Ten and NO/100 Dollars (\$10.00) to it in hand paid this day, the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor leases to Lessee, and Lessee hires from Lessor, upon the terms and conditions, contained herein, for the purpose of conducting thereon any lawful business and for no other purpose, the following described real property located in Martin County, Florida, to wit:

See Exhibit "A" attached hereto and made a part hereof.

As used herein, the term "Premises" refers to the real property above described and to any improvements located thereon from time to time during the term hereof.

(b) The premises shall be subject to the Lessor's reservation of the 10 foot by 10 foot land area, as shown on **Exhibit "A-1"** hereto, for the purpose a license for a billboard structure.

Section 2. Commencement and Term.

(a) **LEASE COMMENCEMENT DATE:** The term of this Lease shall commence on the date of full execution of this Lease (the "Commencement Date").

(b) **RENT COMMENCEMENT DATE:** All terms of this agreement are contingent upon the lessee paying the first three month's rent immediately upon execution of this lease agreement. Failure to pay the first three months within 10 days of the execution of this lease shall be a material breach and cause the agreement to become void. Rental payments due hereunder shall commence on first day of the month following the expiration of 300 days from the commencement date or the first day of the first month following the Certificate of Occupancy – whichever occurs sooner. Notwithstanding anything to the contrary set forth herein, in the event Lessee has not obtained a Certificate of Occupancy from Lessor within three hundred (300) days of the Commencement Date,

Absolute Net - Non-Subordinated Ground Lease

Lessee may in its sole discretion terminate this Agreement and the parties shall have no further obligations with respect to this Agreement. In the event of such a termination by Lessee, Lessee shall forfeit the three month's rent paid to Lessor upon signing this Agreement.

(c) In no event shall the rental payments hereunder commence on a date later than May 1, 2019 The date upon which the rental payments commence pursuant to the terms hereof is hereinafter referred to as the "Rent Commencement Date". The term of this Lease shall continue for a period of TWENTY (20) YEARS from the Commencement Date subject to extension or prior termination as set forth herein.

Section 3. Right to Extend.

(a) Provided the Lessee is not in default under any of the terms and conditions of this Lease, and provided the Tenant has faithfully performed all of its covenants and undertakings contained in this Lease, Lessee shall have the right and the option to extend the term of this Lease for Three (3) consecutive additional terms of FIVE (5) YEARS each, upon the same terms and conditions except that LESSOR shall have the right to adjust the Rent for the Premises, for the 21st and subsequent years; and the 26th, 31st and subsequent years (individually called "Rent Periods"), prior to each consecutive Rent Period, based upon and conforming to current economic rent values as determined by an appraisal of same as prepared herein. The appraisal shall be prepared prior to the time required for notice of Rent Period by the Lessor, below.

For purposes of this section, the appraisal shall be made by a State Certified MAI Appraiser, the cost of which shall be borne by the lessee.

The term of the Lease shall be extended from one term to the next by Lessee giving written notice to the LESSOR during the NINETEENTH (19th) year of the first Term, and in the FOURTH (4th) year of any successive terms. Such notice shall be sent to the LESSOR by hand delivery or by certified mail, return receipt requested, at the address of LESSOR set forth above or such other address as LESSOR may direct in writing.

Section 4. Base Rent.

(a) It is the purpose and intent of the Lessor and the Lessee that the rental shall be absolutely net to the Lessor. Lessee hereby agrees to pay to Lessor as its Base Rent for the leased Premises land, the initial sum of \$85,0000.00 per annum, together with the upward adjustments provided herein, payable solely for the convenience of Lessee in the initial equal monthly installments of **\$7,083.33, PLUS ALL APPLICABLE SALES, PROPERTY and USE TAXES** payable on the first (1st) day of each month, in advance, from the Rent Commencement Date throughout the term of this Lease, including any renewal terms subject to adjustment as hereinafter set forth. In the event that this Rent Commencement Date falls on some day other than the first day of a calendar month, the first month's rent shall be prorated to reflect the actual period for which rent is payable. Payment shall be made in the form of automatic debit; or wire transfer, into a bank or

Absolute Net - Non-Subordinated Ground Lease

financial institution designated in writing by the Lessor, from time to time. All sums due as Base Rent or additional rent shall be paid without set-off for any reason.

(b) It is the intent of the parties that the Rent to be paid herein shall be a totally and absolutely "net" rent to the Lessor, and that all charges, fees, costs, taxes and sums due whatsoever associated with the Lessee's Leasehold Interest, shall be paid by the Lessee.

(c) The lease is intended to be a triple net non-subordinated ground lease to the Lessor so that Lessee will pay any and all expenses related to the property including but not limited to real estate taxes, insurance, all maintenance and upkeep of the premises.

Section 5. Rent Escalation and Value Adjustment.

(a) The Base Rent sum shall increase every year, commencing on the anniversary date of the Rent Commencement Date, by 2%. The 2% increase shall be compounded on each anniversary period. The same increases will take place in each period of any term which is created by exercise of the options provided herein. Except that at the end of the first term, the Lessor may require that the rent be adjusted, based upon a new land appraisal of the Premises.

Section 6. Taxes.

(a) Beginning on the Commencement Date and throughout the term of this Lease thereafter, including any extension terms, Lessee shall pay, as additional rent hereunder, before they become delinquent, all taxes. "Taxes" as used herein means all real property taxes, rates, duties and assessments, local improvement taxes, whether a general or special, that are levied, rated, charged or assessed against the Premises or any part thereof and any rents due Lessor therefrom from time to time by any lawful taxing authority, whether Federal, State, Municipal, School, or otherwise, and any and all taxes which are imposed in lieu of, or in addition to any such real property taxes whether of the foregoing character or not and whether in existence at the Commencement Date. Lessor shall promptly forward to Lessee all notices, bills or invoices Lessor receives requiring payment for any of the items set forth above. Lessee may contest any tax or assessment it is required to pay and may file protests or otherwise proceed in the name of Lessor. Any contest must be made by posting with the Lessor sufficient collateral, in a form acceptable to Lessor to protect the Lessor against loss of the property by tax sale or other tax collection procedure. Lessor may use the collateral at any time Lessor determines in good faith, that such a loss is imminent.

(b) All Federal or state sales and use taxes or taxes similar in nature imposed upon payments made by the Lessee or upon this lease whether on the rents, additional rent or the lease or leasing privilege shall be paid in full by Lessee promptly when due or upon demand therefor. The current Florida Sales and Use Tax of 5.8% shall be included by the Lessee together with the monthly rent payments.

Absolute Net - Non-Subordinated Ground Lease

(c) Nothing herein shall be construed so as to require Lessee, to pay any income tax, inheritance tax, capital gain tax, franchise tax or corporate stock tax imposed upon or payable by Lessor.

Section 7. Permitted Uses.

(a) Lessee shall be entitled to develop the Premises for use as Car Wash or such other later lawful use as may be permitted. Lessor, as title owner, hereby agrees not to affirmatively interfere with Lessee's efforts to so develop the Premises, except that Lessor does have a governmental interest in assuring that Lessee complies with all applicable Lessor ordinances, including those pertaining to zoning and land use. Lessee shall be responsible for the payment of any and all costs incurred in connection with the development of the Premises including the preparation of any applications, plans, surveys or other documents, and all impact fees and development fees incurred in connection with development of the Premises.

Section 8. Encumbrances.

(a) **No Encumbrances by Lessor.** Nothing contained herein shall be construed so as to require Lessor to execute any document or instrument which would create any financial liability on the part of Lessor nor upon the subject Premises, nor alter or impair Lessor's rights under this Lease. There is no obligation under this Lease for Lessor to encumber, convey, burden or subordinate any part of or all of the fee simple interest of the subject Premises or grant or agree to any condition which will burden the property beyond the Lease term.

(b) **Encumbrances of Lessee's Leasehold Interest; No Subordination.** Lessee may, without being required to obtain Lessor's consent, encumber its Leasehold interest in the Premises together with all improvements placed thereon by Lessee, as security for any indebtedness of Lessee. **As provided by Florida law, Lessor, as a municipality, shall not be required to subordinate its fee interest in the Premises to the lien of any mortgage which Lessee may execute.** Lessor further agrees, in connection with Lessee's efforts to obtain financing for the development of the Premises, to provide any Mortgagee of whom Lessor has actual knowledge who holds a mortgage on Lessee's leasehold interest with a copy of any notice of default Lessor sends to Lessee hereunder and prior to terminating this Lease as in result of any default by Lessee, Lessor shall provide any such Mortgagee an equal period within which to cure any default by Lessee or in the alternative Lessor shall give the Mortgagee the right to elect to receive a new lease on the Premises for a term equal to the then unexpired term of this Lease containing the same covenants and conditions as this Lease, such right of election to be in effect for thirty (30) days following the expiration of any grace period granted to Lessee and said right to be conditioned upon the mortgagee curing Lessee's default.

Section 9. Assignment and Sublease.

Absolute Net - Non-Subordinated Ground Lease

The Lessee may assign this Lease to a qualified party, subject to consent by the City Commission. The City Commission shall respond within forty (40) calendar days of the receipt of all necessary information (including information about the financial and experience ability of the assignee to perform under this Lease), for an assignment by the Lessee. Such consent must be obtained formally prior to assignee taking control and/or occupancy. City criteria to approve an assignment of this Lease shall be the following:

(a) The City Commission, at its discretion, must be satisfied that the assignee intends to use the Leased Property in a manner that is consistent with the terms and uses allowed by this Lease.

(b) The City Commission must be satisfied that the assignee possesses the financial capacity, a good reputation, and managerial ability to operate successfully on the Leased Property.

Section 10. Uses Prohibited.

(a) Lessee shall not use or permit the use of the Premises, or any part thereof, for any illegal purpose or purposes nor shall Lessee maintain a nuisance on the Premises or use or permit the use thereof for immoral purposes. The Premises may not be used as a toxic waste dump or storage facility, a solid waste disposal site or any use which could have a harmful effect on the land itself. The Lessee shall not commit waste. No use may be made of the property which would legally impair the right to collect rental adjustments called for herein.

(b) During the term of this Lease, Lessee shall be fully liable and responsible for the clean-up of any toxic substances released or deposited on the Premises, regardless of the nature of the release or deposit, and shall stand in the shoes of the Lessor for this purpose throughout the term of the Lease, and if any such toxic substance shall have been released or deposited during any term of the Lease, the Lessee shall continue to stand in the shoes of the Lessor and be fully liable and responsible for as long as it takes to obtain a final clearance order or letter from the governmental jurisdiction having authority over such release or deposit. Lessee shall have no liability whatsoever for any toxic substances released or deposited on the Premises prior to the Commencement Date of this Lease.

Section 11. Improvements, Repairs, Additions, Replacements to the Real Property.

Throughout the term of this Lease, the Lessee shall have the right (but not the duty) to construct, erect, or reconstruct any and all manner of buildings, works, or improvements upon the Premises as are permitted by the then applicable zoning, subdivision and building ordinances of the applicable jurisdiction. Lessee shall, at all times during the term of this Lease, and at its own cost and expense, keep and maintain or cause to be kept and maintained in good repair and good condition (ordinary wear and tear excepted), all buildings and improvements at any time erected on the Premises, and shall use all reasonable precaution to prevent waste, damage or injury. Lessor shall not be required

Absolute Net - Non-Subordinated Ground Lease

to furnish any services or facilities or to make any improvements, repairs, or alterations in or to the Premises during the term of this Lease. Lessee's rights, as set forth in this section 11, shall be subject to the following conditions:

- (a) The cost of any such construction, alteration or improvements, shall be borne Lessee.
- (b) The Premises shall at all times be kept free of mechanics and materialmen's liens.

Section 12. Insurance.

Lessee covenants to provide, during the entire term hereof at Lessee's own cost and expense, as additional rent, by advance payment of premiums, a comprehensive liability policy of insurance protecting Lessor and Lessee as their interest may appear against any liability whatsoever, occasioned by accident on or about the demised Premises or any appurtenances thereto. Such policy shall be approved by Lessor, written by a company rated not less than "AAA", by Best's Register, in an amount of not, less than One Million Dollars (\$1,000,000.00) to cover the claim or damage from any single person, and not less than Two Million Dollars (\$2,000,000.00) to cover more than a Single claim which may arise from a single action, and in the sum of Five Hundred Thousand Dollars (\$500,000.00) in respect to claims for property damage. Such policy shall insure Lessee and Lessor against any liability that may accrue against them or either of them, on account of any occurrence on or to the demised Premises during the term thereof, resulting in personal injury, death, property damage, or any other liability whatsoever; and said policies shall include indemnity against loss, expense and damage of any and every kind, including costs of investigation and attorney's fees, and other costs of defense. Lessee agrees to pay all premiums for all policies promptly as additional rent and deliver to Lessor an original or duplicate original of all such policies, together with evidence of payment of premium thereon, upon the beginning date of this Lease, and from time to time thereafter as premiums shall fall due. Lessor may require an increase in the limits of coverage or extent or coverage at any time such increase is deemed commercially reasonable by Lessor. Lessor may increase the amounts of required insurance coverage provided the same is commercially reasonable. All insurance coverage called for under the Lease shall contain provisions granting Lessor ten (10) days notice prior to termination thereof and shall be written by an insurance company authorized to do business in Florida. Copies of the policies shall be promptly furnished to Lessor. All hazard insurance policies carried by the Lessee covering property located on the demised Premises will provide that the Lessor is an additional named insured.

b) Lessor covenants that at all times, the billboard structure referenced in the attached "Exhibit A-1" will be sufficiently insured against any liability within the confines of Florida Statue, §768.28, that may accrue on account of any occurrence on or from said billboard structure during the term of this Agreement, resulting in personal injury, death, property damage, or any other liability whatsoever; and said policies shall include indemnity for Lessee against loss, expense and damage of any and every kind, including costs of investigation and attorney's fees, and other costs of defense up to the limits of the

Absolute Net - Non-Subordinated Ground Lease

sovereign immunity afforded to the City pursuant to Florida Statute, §768.28. Lessor covenants that all hazard insurance policies covering the billboard structure will provide that the Lessee is an additional named insured. Further, the parties agree that the Lessor is in no way leasing the billboard and therefore has no responsibility for the maintenance, inspection or any other duties related to same.

Section 13. Indemnify Lessor.

(a) In consideration of said Premises being leased to Lessee for the above rental, Lessee agrees: that Lessee, at all times, will indemnify and hold harmless Lessor from all losses, damages, liabilities and expenses, which may arise or be claimed against Lessor and be in favor of any persons, firms or corporations, for any injuries or damages to the person or property of any persons, firms or corporations, consequent upon or arising from the use or occupancy of said Premises by Lessee, or consequent upon or arising from any acts, omission, neglect or fault of Lessee, his agents, servants, employees, licensees, visitors, customers, patrons, or invitees, or consequent upon or arising from Lessee's failure to comply with any laws, statutes, ordinances, codes or regulations as herein provided; that Lessor shall not be liable to Lessee or any damages, losses or injuries to the persons or to property of Lessee which may be caused by the acts, neglect, omissions or faults of any persons, firms or corporations and that Lessee will indemnify and keep harmless Lessor from all damages, liabilities, losses, injuries or expenses which may arise or be claimed against Lessor and be in favor of any persons, firms or corporations, for any injuries or damages to the person or property of any persons, firms or corporations, where said injuries or damages arose about or upon said Premises, as a result of the negligence of Lessee, his agents, employees, servants, licensees, visitors, customers, patrons and invitees.

(b) All personal property placed or moved into the Leased Premises or Building shall be at the risk of Lessee or the owners thereof, and Lessor shall not be liable to Lessee for any damages to said personal property. Lessee shall maintain at all times during the term of this Lease an insurance Policy or policies in an amount or amounts sufficient to indemnify Lessor and to pay Lessor's damages, if any, resulting from any matters set forth herein before in this Paragraph 13. LESSEE WAIVES ALL RIGHTS TO RECOVER FROM LESSOR FOR ANY DAMAGES CAUSED BY NEGLIGENCE OF LESSOR, ITS AGENTS OR EMPLOYEES. Lessee's insurance policies shall contain a waiver of the right of subrogation against the Lessor.

Section 14. Time.

It is understood and agreed between the parties hereto that time is of the essence of all the terms, provisions, covenants and conditions of this Lease.

Section 15. Condemnation.

Absolute Net - Non-Subordinated Ground Lease

(a) If, at any time during the term of this Lease, title to all of the Premises shall be taken by the exercise of the right of condemnation or eminent domain, this Lease shall terminate and expire on the date of such taking, and the rent and other charges provided to be paid by Lessee shall be apportioned and paid to the date of such taking.

(b) If at any time during the term of this Lease, title to less than all of the Premises shall be taken as aforesaid, this Lease shall continue (unless Lessee shall elect to terminate this Lease by giving notice thereof to Lessor within thirty (30) days after the date of such taking, in which case this Lease shall terminate on the date therefor set forth in such notice), except that thereafter the rent shall be reduced to a fraction of the former amount which fraction shall be determined by dividing the area of the untaken portion of the Premises by the area of the Premises immediately before the taking.

(c) Lessee may, at its option, but shall not be required to, repair, restore, replace or rebuild any damage or destruction to the Premises and improvements located thereon resulting or arising from any taking of all or any part thereof, except that Lessee shall not permit the Premises to remain in an unsafe or illegal condition.

Section 17. Lessor's Title and Possession.

(a) Lessor covenants that as of the Commencement Date: Lessor shall have the fee simple title to the Premises with full right and authority to make this Lease; the Premises shall then be free and clear of all liens, easements, restrictions, leases and encumbrances other than those restrictions referenced within this lease agreement.

(b) Lessee shall have received from the Lessor a certified title insurance report demonstrating fee simple title vested in the Lessor, without material encumbrances that would adversely affect the Lessor's ability to lease the Premises to the Lessee. Lessor shall have no responsibility to provide any additional title insurance coverage on the Premises.

(c) Lessee at its sole expense, has surveyed the property, and has accepted the state of the survey.

(d) Lessee shall be delivered possession of the Premises; and Lessee shall have quiet and peaceful possession and enjoyment of the Premises and of all appurtenances thereunto belonging during the term of this Lease including all extension terms.

Section 18. Care of Premises.

Lessee shall in nowise violate any of the zoning or other governmental restrictions now or hereafter placed upon the said real property. Lessee shall, at its sole expense, pay for any alterations, improvements, machinery or equipment which may be required by any applicable governing body now or at any time during the term of this Lease.

Section 19. Right of First Refusal.

Lessee shall have a right of first refusal to purchase the Lessor's interest in the Premises which shall operate as follows. If Lessor shall receive an offer from a bona fide purchaser to purchase Lessor's interest at any time during the term of this Lease which Lessor desires to accept, Lessor shall notify the Lessee in writing of all the terms and conditions of said offer. Lessee shall have sixty (60) days from the receipt of such notice to notify the Lessor in writing of Lessee's election to purchase Lessor's interest for all cash with closing within 30 days of Lessee's notice. If Lessee fails to notify Lessor of such election to purchase within said thirty (30) day period, Lessor may sell Lessor's interest to the offer or free of Lessee's right of first refusal.

Section 20. Conditional Limitations - Lessee Default Provisions.

(a) This Lease and the term hereof are subject to the limitation that if at any time during the term of this Lease, any one or more of the following events (herein called an "event of default") shall occur, that is to say:

1. If Lessee shall attempt or shall make an assignment for the benefit of its creditors; or

2. If any petition shall be filed against Lessee in any court, whether or not pursuant to any statute or law of the United States of America or of any State, in any bankruptcy, reorganization, composition, extension, arrangement or insolvency proceedings, and Lessee shall thereafter be adjudicated bankrupt, and if any such proceedings shall not be dismissed within ninety (90) days after the institution of the same; or if any such petition shall be so filed by Lessee; or

3. If Lessee shall fail to pay any installment of the rent, or any part hereof, when the same shall become due and payable, and such failure shall continue for fifteen (15) days; or

4. If Lessee shall fail to pay when due any other charge required to be paid by Lessee hereunder, and such failure shall continue for fifteen (15) days after written notice thereof from Lessor to Lessee; or

5. If Lessee shall fail to perform or observe any other requirement of this Lease (not hereinbefore in this Section 20 specifically referred to) on the part of Lessee to be performed or observed, and such failure shall continue for thirty (30) days after written notice thereof from Lessor to Lessee, unless Lessee shall have commenced to cure any such default as is referred to in this sub-section five (5.) within said thirty (30) day period and diligently pursues such cure to completion; then upon the happening of anyone or more of the aforementioned events of default, and the expiration of the period of time for remedying the same, Lessor may:

- a. give to Lessee a notice (hereinafter called "Notice of Termination") of intention to end the term of this Lease and the term hereof, as well as all of the right, title and interest of the Lessee hereunder, shall wholly cease and expire in the same

Absolute Net - Non-Subordinated Ground Lease

manner and with the same force and effect as if the date originally specified herein for the expiration of this Lease had arrived and the Lessee shall then quit and surrender the Premises to Lessor, and

- b. Lessor may at any time after an event of default reenter the Premises and remove Lessee therefrom, and all or any of its property therefrom, either by summary dispossession proceedings or by any suitable action or proceeding at law; and
- c. It is expressly and specifically covenanted and agreed that the entire unpaid balance of the Base Rent with all adjustments as provided in Paragraph 5 and the entire amount of additional rent to the end of the term, based upon existing rent already accrued, shall, at the sole option of the Lessor, immediately become due and payable, and
- d. All of the right, title, estate and interest of Lessee (i) in and to the improvements, all changes, additions and alterations therein, and all renewals and replacements thereof, and (ii) all rents, sub-leases, issues and profits of the Premises, or any part thereof whether then accrued or to accrue, shall automatically pass to, vest in, and belong to Lessor, without further action on the part of either party, free of any claim thereto by Lessee.
- e. Lessor shall have any other remedy provided by Florida Law.

Section 21. Lessor's Defaults.

If Lessor fails to perform or observe any requirement or covenant of this Lease to be performed and observed by Lessor and such default continues for a period of thirty (30) days after written notice thereof from Lessee to Lessor, Lessee shall have the option of terminating this Lease upon thirty (30) days written notice to Lessor without waiving any other legal rights hereunder or in the alternative Lessee shall have the right of specific performance.

Section 22. Waivers.

Failure of Lessor or Lessee to complain of any act or omission on the part of the other party, no matter how long the same may continue, shall not be deemed to be a waiver by said party of any of its rights hereunder. No waiver by Lessor or Lessee at any time, express or implied, of any breach of any provisions of this Lease shall be deemed a waiver of a breach of any other provisions of this Lease or a consent to any subsequent breach of the same of any other provisions. No acceptance by Lessor of any partial payment shall constitute an accord or satisfaction but shall only be deemed a partial payment on account.

Section 23. Notices, Etc.

Absolute Net - Non-Subordinated Ground Lease

All notices, consents, demands and requests which are required or desired to be given by either party to the other shall be in writing. All such notices, consents, demands and requests shall be hand delivered with receipt, or sent by United States Certified Mail, return receipt requested, postage prepaid, addressed to the other party at its address set forth in this Lease, or at such other place as it may from time to time designate in a written notice to the other party given pursuant to the provisions of this Section. Notices, consents, demands and requests which are served upon Lessor or Lessee by Certified Mail, shall be deemed to have been given or served for all purposes hereunder on the fourth (4th) business day next following the date on which such notice, consent, demand or request shall have been mailed as aforesaid. Notices, consents, demands and requests which are served upon Lessor or Lessee by Hand Delivery, shall be deemed to have been given or served for all purposes hereunder on the business day next following the date on which such notice, consent, demand or request shall have been served.

Notices to the Lessor shall be sent to:

City Manager
121 SW Flagler Avenue
Stuart, FL 34994

With a copy to:

City Attorney
121 SW Flagler Avenue
Stuart, FL 34994
Mmortell@ci.stuart.fl.us

Notices to the Lessee shall be sent to:

16 Kanner LLC
15651 SW Palm Way,
Indiantown, FL 34956
Kevinc.ics@gmail.com

Section 24. Governing Law and Venue.

This Lease and the performance of the covenants and terms thereof shall be governed, interpreted, construed and regulated in accordance with the laws of the State of Florida, and venue for all legal actions shall be in Martin County, Florida.

Section 25. Partial Invalidity.

Absolute Net - Non-Subordinated Ground Lease

If any term, covenant, condition or provision of this Lease or the application thereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, and condition or provision of the Lease shall be valid as permitted by law, and each term, covenant, condition and provision enforced to the fullest extent possible.

Section 26. Integration.

This Lease embodies the whole agreement of the parties, and there are no promises, terms, conditions, or obligations other than those herein contained. This Lease shall supersede all previous communications, representations, advertisements, brochures, proposals, or agreements, either verbal or written between the parties hereto and not herein contained.

Section 27. Sales Taxes.

Lessor will endeavor to collect and Lessee shall promptly pay all sales or similar type taxes imposed upon the various amounts of money payable as rent hereunder. In the event it is subsequently determined that any amount required to be paid or paid for hereunder is subject to such a tax Lessee shall promptly pay the same and any penalties and interest payable thereon.

Section 28. Covenants Binding the Respective Parties.

Except as herein expressly provided, the covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Lessor and Lessee and their respective heirs, successors and assigns.

Section 29. Disposition of Improvements on Termination of Lease.

On termination of this Lease for any cause, Lessor shall become the owner of any building or improvements on the Premises. If Lessee is not in default, Lessee shall however have the right to remove any furniture, fixtures, equipment or other things which may be removed from the Premises without changes to any of the buildings or improvements hereinafter located on the Premises. On the last day, or sooner upon the termination of the term of this Lease, Lessee shall quit and surrender the Premises and the buildings and permanent improvements then thereon. Lessee shall pay double rent for any hold over period.

Section 30. Broker's Commission.

The City of Stuart shall pay a broker's commission to Drew Poston with SLC Commercial Real Estate in three parts with a total payment of \$60,000.00. The first payment of \$20,000.00 will be upon payment of the first month's rent. 2. The Second payment of

Absolute Net - Non-Subordinated Ground Lease

\$20,000.00, shall be made upon the issuance of a Certificate of Occupancy for the Car Wash; and 3. The Final Payment of \$20,000.00, shall be paid 1 year after the Certificate of Occupancy has been issued so long as the tenant is not in default of the terms of this agreement.

Section 31. Attorney's Fees and Costs.

In connection with any litigation arising out of this Lease, the prevailing parties shall be entitled to recover all costs incurred, including reasonable attorneys' fees through and including any and all appellate actions.

Section 32. Attornment.

In the event of a transfer of Lessor's interests in the Premises or the purchase of the Lessor's interest therein in a foreclosure sale or by deed in lieu of foreclosure under any the purchase, pursuant to a power of sale contained in any mortgage, then in any such events, Lessee shall, at Lessor's request, attorn to and recognize the transferee or purchaser of the Lessor's interest, as the case may be, as Lessor under this Lease, for the balance then remaining of the term and thereafter this Lease shall continue as it is directly between such person as "Lessor" and "Lessee", it being agreed that no such transferee shall have the right to disturb Lessee's tenancy hereunder so long as Lessee shall not be in default under the terms hereof.

Section 33. Waiver of Trial by Jury.

It is mutually agreed by and between Lessor and Lessee that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter arising out of or in any way connected with this Lease, the relationship of Lessor and Lessee and Lessee's use of or occupancy of the Premises. Lessee further agrees that it shall not interpose any counterclaim or counterclaims in a summary proceeding or in any action based upon nonpayment of rent or any other payment required of Lessee hereunder.

Section 34. Additional Terms and Conditions.

(A) If the Lessee fails to pay any sum when due for taxes, insurance or other sums required to be paid under the Lease, the Lessor may, at Lessor's option and without waiving its right to dispossess Lessee, pay such sum and such sum shall immediately become due and payable as additional rent.

(B) All rents due under the Lease shall bear interest at the rate provided under Florida law.

(C) In the event of judicial or mutual termination of this Lease, Lessee shall provide Lessor with a Release and Surrender Agreement, in recordable form (2 witnesses and a

Absolute Net - Non-Subordinated Ground Lease

waiving its right to dispossess Lessee, pay such sum and such sum shall immediately become due and payable as additional rent.

(B) All rents due under the Lease shall bear interest at the rate provided under Florida law.

(C) In the event of judicial or mutual termination of this Lease, Lessee shall provide Lessor with a Release and Surrender Agreement, in recordable form (2 witnesses and a notary) to remove the Memorandum of Lease as a cloud on the title, within seven days of written demand therefor.

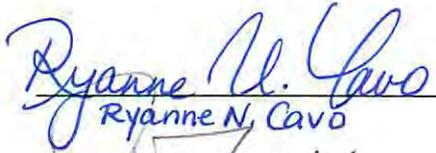
(D) The City shall continue to use best efforts to obtain No Further Action letter at the earliest possible date. Upon receipt of same, the City shall provide a copy to the tenant via email at the address shown herein.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the date shown below.

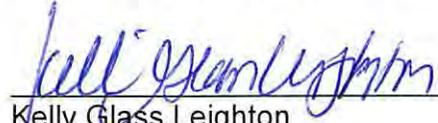
Witnesses:

LESSOR:

CITY OF STUART, FLORIDA,
a municipal corporation



Ryanne N. Cavo



Kelly Glass Leighton
Mayor

Witnesses: Jan Foselli

LESSEE:

16 Kanner LLC
a Florida Limited Liability Company



Kevin J. Collette

By: Kevin J. Collette
Member-Manager

Absolute Net - Non-Subordinated Ground Lease

EXHIBIT A

LEGAL DESCRIPTION

THE SOUTH 260 FEET OF THE WEST 310.5 FEET OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 9, TOWNSHIP 36 SOUTH, RANGE 41 EAST, LESS ROAD RIGHT-OF-WAYS.

Being more particularly described as follows:

Beginning at a Point on a Curve on the East Right-of-Way of State Road No. 76. (100 foot Right-of-Way) and the North Right-of-Way of Monterey Road (80 foot Right-of-Way); thence South 89°11'49" East, along the North line of Monterey Road, a distance of 251.80 feet, to a point; thence North 00°19'16" East, a distance of 220.00 feet, to the South line of Seville Street (50 foot Right-of-Way); thence North 89°11'49" West, along said Right-of-Way, a distance of 268.95 feet, to a Point on a Curve and the East Right-of-Way of State Road No. 76, said Curve being concaved to the West, having a Radius of 9772.09 feet, a Central Angle of 01°17'40"; thence in a clockwise direction along the Arc of said Curve, a distance of 220.81 feet, to the Point and Place of Beginning.

Parcel ID # 09-38-41-000-000-00690-0