

RESOLUTION 96- 160

A RESOLUTION APPROVING THE LEASE OF COUNTY OWNED PROPERTY TO THE ST. JOHNS COUNTY WELFARE FEDERATION.

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS of St. Johns County, Florida as follows:

Section 1. The Board of County Commissioners of St. Johns County, Florida (the "Board") hereby finds and determines the following:

- A.** The St. Johns County Welfare Federation (the "Welfare Federation") is a Florida not for profit corporation and is qualified as a federal internal revenue service 501(c)(3) non profit corporation; and
- B.** The Welfare Federation is organized for the purpose of promoting community interest and welfare; and
- C.** The Welfare Federation desires, needs and has applied to the Board to lease the property described in the attached proposed lease between the Welfare Federation and St. Johns County, Florida (the "Lease") to promote community interest and welfare; to wit, for use as a health care facility in the manner described in the Lease; and
- D.** The Board is satisfied that the property is required for such purpose and is not needed for County purposes.

Section 2. The Lease provides for rent to be paid by the Welfare Federation to the County in the amount of \$350.00 plus applicable sales tax for the initial term of 35 years and 2 months, and thereafter if either or both additional optional 30 year terms are exercised by the Welfare Federation for an additional rent of \$350.00 per term.

Section 3. The County Administrator is authorized and directed to execute and deliver the Lease on behalf of the Board.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, State of Florida, this 24th day of September, 1996.



BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Donald Jordan
Chairman Donald Jordan

ATTEST: CARL "BUD" MARKEL, CLERK

By: Renora J. Newcome
Deputy Clerk

LEASE

BETWEEN

ST. JOHNS COUNTY, FLORIDA,
A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA ("LESSOR")

AND

ST. JOHNS COUNTY WELFARE FEDERATION,
A FLORIDA NOT-FOR-PROFIT CORPORATION ("LESSEE")

DATED AS OF SEPTEMBER 25, 1996

TABLE OF CONTENTS

Section 1	Description of Leased Premises.....	Page 1
Section 2	Term.....	Page 2
Section 3	Rent.....	Page 2
Section 4	Payment of Taxes.....	Page 3
Section 5	Not-for-Profit Status.....	Page 3
Section 6	Use of Premises and Parking Easement...	Page 3
Section 7	Maintenance of Premises.....	Page 5
Section 8	Ownership of Improvements and Fixtures.	Page 5
Section 9	Construction of Improvements and Installation of Equipment and Property. Lessor's Interests Not Subject to Construction Liens.....	Page 6
Section 10	Accumulation of Waste or Refuse Matter.	Page 6
Section 11	Abandonment.....	Page 7
Section 12	Assignment, Mortgage or Sublease.....	Page 7
Section 13	Lessee's Right to Mortgage Its Leasehold Interest.....	Page 8
Section 14	Signs.....	Page 9
Section 15	Utilities.....	Page 9
Section 16	Damages to Premises.....	Page 9
Section 17	Non-Liability of Lessor and Requirement of Liability Insurance.....	Page 10
Section 18	Requirement of Hazard and Flood Insurance.....	Page 11

Section 19	Insurance Consultant.....	Page 12
Section 20	Lessor's Remedies on Default.....	Page 13
Section 21	Notice of Default to Leasehold Mortgagee/ Rights of Leasehold Mortgagee.....	Page 13
Section 22	Effect of Failure to Insist on Strict Compliance with Conditions.....	Page 18
Section 23	Lessor's Right to Cure Lessee's Breach...	Page 19
Section 24	Mechanics' Lien.....	Page 19
Section 25	Time and Notices.....	Page 19
Section 26	Force Majeure.....	Page 20
Section 27	Effect of Other Representations, Agreements.....	Page 21
Section 28	Section Headings.....	Page 21
Section 29	Lessor's Right to Inspect, Repair and Maintain.....	Page 21
Section 30	Binding Effect on Successors and Assigns.	Page 22
Section 31	Severability.....	Page 22
Section 32	Governing Law.....	Page 22
Section 33	Recording of Lease.....	Page 22

LEASE

THIS LEASE (the "Lease") is made this 25 day of September, 1996, by and between ST. JOHNS COUNTY, FLORIDA, A POLITICAL SUBDIVISION OF THE STATE OF FLORIDA ("Lessor"), and ST. JOHNS COUNTY WELFARE FEDERATION, A FLORIDA NOT-FOR-PROFIT CORPORATION ("Lessee").

1. Description of Leased Premises.

(A) Lessor hereby leases to Lessee that certain property situate in the City of St. Augustine, County of St. Johns and State of Florida, more particularly described on Exhibit "A" attached hereto and by reference made a part hereof, together with all appurtenances thereto and all buildings and improvements located on the Premises from time to time during the term of the Lease (collectively, the "Premises").

(B) The Premises includes an access road located on and over the westerly thirty feet (30') of the Premises (the "Access Road"). The Access Road affords ingress and egress to Marine Street, a dedicated public street within the City of St. Augustine. During the Demised Term, the Lessee, at its expense, shall reasonably maintain the Access Road in good condition and repair. The Lessor, its tenants and assigns, shall have the non-exclusive right to utilize the Access Road for ingress and egress to Marine Street and Lessor's adjoining properties. Provided, if the Lessor sells or leases all or any portion of its adjoining properties to

a third party which is not a governmental entity or an agency of St. Johns County, the Lessor shall require the tenant or purchaser, as the case may be, to pay a prorata share of the reasonable cost of maintaining the Access Road. Such prorata share shall be based on the ratio of the average daily trips generated by the tenant or purchaser's respective parcel to the total average daily trips generated by all the parcels served by the Access Road. Average daily trips shall be determined by utilizing the most current edition of the Institute of Transportation Engineers "Trip Generation Tables."

2. Term.

Subject to Section 33 hereof, the Premises are leased for an initial term of years commencing November 1, 1996, and ending on December 31, 2031 (the "Initial Term"), and, at Lessee's sole option, for two (2) additional terms of thirty (30) years each on the same terms and conditions as the Initial Term (the "Additional Term(s)"). Lessee shall give Lessor written notice of its election to extend the Lease at least six (6) months prior to the commencement of the Additional Term(s) (the Initial Term and Additional Term(s) are collectively hereinafter referred to as the "Demised Term").

3. Rent.

The rental due hereunder for the Initial Term shall be the sum of \$350.00, to be payable in advance on execution of the Lease, plus applicable Florida state sales tax. Rent for the

Additional Term(s) shall be \$350.00 per term and shall be paid in advance on the first day of the Additional Term(s).

All rent due hereunder shall be paid to Lessor at its address designated in, or pursuant to, Section 25 hereof.

4. Payment of Taxes.

Lessee shall pay in full, before delinquency, all taxes, charges and assessments, if any, levied on or otherwise applicable to the Premises and on the equipment, furniture and fixtures located thereon or as a result of the operation of Lessee's business, including sales and personal property taxes.

5. Not-for-Profit Status.

Lessee represents that it is a qualified 501(c)(3) non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and shall remain a 501(c)(3) non-profit corporation for the term of the Lease.

6. Use of Premises and Parking Easement.

(A) Lessee shall have the exclusive use and peaceful enjoyment of and right to use and occupy the Premises as a health care facility consisting of but not limited to a skilled nursing and/or extended congregate care bed nursing home and assisted living unit facility and for such other uses and purposes as are related to or reasonably deemed necessary by Lessee to support Lessee's health care facility. Lessee's use and occupancy of the Premises shall be in conformity with all applicable laws, ordinances, resolutions, orders and regulations of the federal,

state, county and municipal governments or any of their departments. For purposes of this Lease, the term "health care facility" shall have the meaning set forth in Section 159.27(16), Florida Statutes (1995). Lessee may not use or occupy the Premises for any other purpose without the prior written consent of the Lessor.

(B) Lessee shall, within three (3) years of the commencement of this lease, construct a health care facility consisting of a one hundred twenty (120) bed skilled nursing facility and sixty (60) bed assisted living facility and shall thereafter continuously operate the Premises as a health care facility.

(C) Lessor hereby grants to Lessee for the Demised Term, a non-exclusive easement for the parking of automobiles within a portion of the existing parking lot located contiguous to the Premises on real property owned by Lessor (the "Parking Easement"). The initial location of the Parking Easement is described on Exhibit "B" attached hereto. Lessor may, from time to time, relocate the Parking Easement to another location, provided the new location is contiguous to the Premises and both the new location and the number of parking spaces contained within the new location are in compliance with all applicable building and zoning codes and requirements of the City of St. Augustine. If the Parking Easement is relocated as provided herein the parties shall execute and record an amendment to the Lease containing the legal description of the new location of the Parking Easement.

7. Maintenance of Premises.

Lessee shall, at its expense, during the entire term hereof, keep and maintain the Premises and Parking Easement in good, sanitary and neat order, condition and repair. Lessor shall not be obligated to make any repairs, replacements or renewals of any kind or nature to the Premises and Parking Easement. Upon the expiration or sooner termination of this Lease, Lessee shall deliver the Premises and Parking Easement to Lessor in good order and condition, subject to normal wear and tear.

8. Ownership of Improvements and Fixtures.

Lessor and Lessee agree that all buildings and improvements now or hereafter located or constructed on the Premises, all fixtures permanently affixed to the Premises and all alterations, additions and changes thereto shall be the property of Lessee during the term of the Lease. Upon the expiration or sooner termination of this Lease all of such buildings and improvements and all fixtures permanently affixed to the Premises and all alterations, additions and changes thereto shall automatically belong to the Lessor. Upon such expiration or termination, Lessee shall execute and deliver to Lessor such Bills of Sale, Quit Claim Deeds and other documents as Lessor deems reasonably necessary to evidence such ownership in Lessor. All other equipment and personal property of Lessee, excepting fixtures permanently affixed to the Premises, shall remain the property of Lessee and may be removed from the Premises by Lessee upon the expiration or sooner termination of the Lease. Provided, however, Lessee shall repair

all injury caused to the Premises by the removal of such equipment and personal property.

9. Construction of Improvements and Installation of Equipment and Property. Lessor's Interests Not Subject to Construction Liens.

Lessee is specifically granted the right from time to time, to construct buildings and improvements on the Premises, to make such alterations, additions and changes to all such buildings and improvements, and to install such equipment and fixtures as Lessee may deem necessary, in Lessee's sole judgment, for Lessee's use and occupancy of the Premises. Lessee shall also have the right to demolish the existing building on the Premises at any time after Lessee completes construction of its new building. All construction on the Premises shall conform to applicable codes and regulations of the federal, state, county and municipal governments or any of their departments. The above notwithstanding, the interests of the Lessor in the Premises shall not be subject to construction liens or other liens for improvements made by the Lessee. See also Section 24 hereof.

10. Accumulation of Waste or Refuse Matter.

Lessee shall not permit waste or refuse matter or any other public nuisance or hazardous condition to accumulate or exist on or about the Premises.

11. Abandonment.

Lessee shall not, without first obtaining the written consent of Lessor, abandon the Premises or allow the Premises to become vacated or deserted. Any abandonment of the Premises as described above without the written consent of the Lessor shall constitute a default under the Lease.

12. Assignment, Mortgage or Sublease.

Other than as provided in Section 13 hereof, the Lessee shall not, without first obtaining the written consent of Lessor, assign or mortgage this Lease, in whole or in part, or sublet the Premises or any part of the Premises. This covenant shall be binding upon the Lessee and the legal representatives of Lessee, and upon every person to whom Lessee's interest under this Lease passes by operation of law, but shall not apply to an assignment or subletting to the parent or wholly owned subsidiary of Lessee, or to an affiliate under common control with the Lessee or to a transfer of the leasehold interest occasioned by a consolidation or merger involving Lessee, if such parent, subsidiary, affiliate or surviving entity is and remains a 501(c)(3) non-profit corporation. Provided, however, this paragraph shall not be deemed to require Lessee to obtain Lessor's consent before entering into agreements with third parties for the direct delivery of health care related services on the Premises.

13. Lessee's Right To Mortgage Its Leasehold Interest.

Lessee may mortgage its leasehold interest and estate in the Premises, together with all appurtenances to such leasehold, and/or assign this Lease (collectively, the "Leasehold Mortgage"), as security for any indebtedness of Lessee to the St. Johns County Industrial Development Authority and its successors and assigns (the "Authority"), or as otherwise permitted under the Loan Agreement, Mortgage and Security Agreement to be entered into between the Authority and Lessee (the "Loan Agreement") (the Authority and/or The Bank of New York, as Trustee (the "Trustee") under the Trust Indenture to be entered into between the Authority and the Trustee (the "Indenture") are hereinafter collectively referred to as the "Leasehold Mortgagee"). The mortgage and/or assignment of this Lease as security to the Leasehold Mortgagee, the execution of the Leasehold Mortgage, the foreclosure thereof or the sale of the Leasehold Mortgage, either by judicial proceedings, by deed in lieu of foreclosure or by virtue of any power reserved in the Leasehold Mortgage shall not be a violation of the terms or conditions of this Lease, and Lessor hereby consents to the foregoing and, at the option of Leasehold Mortgagee, agrees to recognize the Leasehold Mortgagee as lessee hereunder upon such foreclosure, assignment or other transfer. The holder of the Leasehold Mortgage encumbering Lessee's leasehold interest who acquires the leasehold interest by judicial proceedings, or by assignment, or deed in lieu of foreclosure and any governmental entity or 501(c)(3) non-profit corporation to which the holder of

a Leasehold Mortgage sublets the Premises, must use and occupy the Premises in accordance with and subject to all terms and conditions of the Lease, provided however, that a governmental entity and/or the Trustee need not be a 501(c)(3) non-profit corporation.

Notwithstanding any other term or provision of this Lease, Lessee may, with the prior written consent of Lessor, the Authority and Trustee(s) and bond insurers, if any, named in any trust indenture(s) pursuant to which bonds have been issued for the purpose of funding all or any part of the Premises or the construction or operation thereon of a health care facility, mortgage its leasehold interest and estate in the Premises, together with all appurtenances to such leasehold, as security for any indebtedness of Lessee to a third party.

14. Signs.

All signs erected or installed by Lessee on the Premises shall comply with applicable governmental regulations. All such signs shall be maintained by Lessee.

15. Utilities.

Lessee shall secure and pay for all utilities used in connection with the Premises including, water, sewage, gas, electricity and solid waste disposal.

16. Damages to Premises.

In the case of damage to or destruction of the buildings and improvements on the Premises or any part thereof, Lessee shall, at its expense, promptly repair and restore the buildings and

improvements on the Premises to the condition which existed prior to the damage or destruction. Without limiting the obligations of Lessee, it is agreed that the proceeds of any insurance covering the damage or destruction shall be made available to and used by Lessee or the Leasehold Mortgagee for repair, replacement or otherwise, as provided in the Loan Agreement. In the event such insurance proceeds are insufficient to complete such repair or replacement, Lessee shall use its own funds to promptly complete such repair or replacement. Provided, notwithstanding the above, in the event the buildings and improvements on the Premises are damaged or destroyed so as to make them untenable during the last ten (10) years of the Demised Term, Lessee may terminate this Lease by delivery to Lessor of written notice within sixty (60) days after the occurrence of the damage or destruction. In the event Lessee elects to terminate this Lease, Lessee shall not be obligated to repair or restore the buildings and improvements on the Premises nor be entitled to receive any part of the proceeds of any insurance covering the damage or destruction. Lessee shall, in such event, assign such insurance proceeds to Lessor.

17. Non-Liability of Lessor and Requirement of Liability Insurance.

Lessor shall not be responsible for any loss or damage for injury to Lessee or to any and all persons or property, or death, or for any damage to the Premises, arising from or caused by Lessee's use and occupancy of the Premises, and Lessee shall indemnify and hold Lessor harmless from all liability for injury

and loss to Lessee, or to any and all persons or property, or death, or for any loss or damage to the Premises arising from or caused by Lessee's use and occupancy of the Premises. Lessee will, for the entire term of this Lease, maintain for its benefit and the benefit of Lessor as a named co-insured, at Lessee's cost and expense, public liability insurance in an amount not less than \$1,000,000.00 combined single limits for injury to persons or property. Lessee shall also maintain, at all times, at Lessee's cost and expense, professional malpractice insurance in the minimum amount of \$1,000,000.00 per occurrence and \$3,000,000.00 annual aggregate. Additionally, all insurance shall provide coverage to the Lessor equal to or greater than the amounts set forth in Florida Statute 768.28(5), as amended from time to time. A copy of each such insurance policy naming Lessor as an additional insured thereunder shall promptly be furnished to Lessor. All insurance policies required by this paragraph shall be obtained and maintained with insurance companies qualified under the laws of the State of Florida to assume the risks undertaken and each such policy shall contain a provision that it may not be cancelled by the insurer except upon at least thirty (30) days prior written notice to Lessor.

18. Requirement of Hazard and Flood Insurance.

Lessee will, for the entire term of this Lease and at Lessee's cost and expense, maintain for its benefit and the benefit of Lessor, hazard and flood insurance on the buildings and all improvements on the Premises in an amount not less than the full

replacement value of such improvements. All insurance policies required by this paragraph shall insure the interests of the Lessor as a named co-insured and shall be obtained and maintained with insurance companies qualified under the laws of the State of Florida to assume the risks undertaken and each such policy shall contain a provision that it may not be cancelled by the insurer except upon at least thirty (30) days prior written notice to Lessor. The term "Full Replacement Value" as used in this paragraph shall mean the actual replacement cost from time to time of the buildings and improvements located on the Premises.

19. Insurance Consultant.

Not more frequently than once every three (3) years, Lessee, at the request of Lessor, shall employ an independent insurance consultant reasonably acceptable to Lessor (the "Insurance Consultant"), to review the amounts of insurance required by Sections 17 and 18 hereof. If the Insurance Consultant recommends that the amount of coverage required by either Section 17 or 18 should be increased, Lessee shall promptly purchase such increased coverage and promptly furnish Lessor with a copy of an endorsement to Lessee's existing policy which increases the coverage to the recommended amount. Lessee shall thereafter maintain such increased coverage until such time as a higher amount is recommended by the Insurance Consultant.

In the event that any insurance required by Sections 17 or 18 is commercially unavailable at a reasonable cost or has been otherwise provided, as evidenced by a Certificate of the Insurance

Consultant, the Lessor shall accept such substitute coverage, as is recommended by the Insurance Consultant.

20. Lessor's Remedies on Default.

If Lessee defaults in the payment of rent, or in the performance of any other covenant or condition of this agreement (sometimes hereinafter referred to as an "Event of Default"), Lessor shall give Lessee written notice of such default and if Lessee does not cure any such default within sixty (60) days after the giving of such notice (or if such other default is of such nature that it can be cured, although it cannot be completely cured within such period, if Lessee does not commence such curing within such sixty (60) days and thereafter proceeds with reasonable diligence and in good faith to cure such default), then Lessor may terminate this Lease on not less than sixty (60) days' notice to Lessee. On the date specified in the notice the term of this Lease shall terminate and Lessee shall then surrender the Premises to Lessor. If this Lease shall have been so terminated by Lessor, Lessor may at any time thereafter resume possession of the Premises by any lawful means and remove Lessee or other occupants and their effects.

21. Notice of Default to Leasehold Mortgagee/Rights of Leasehold Mortgagee.

(A) No notice of an Event of Default shall be deemed to have been given by Lessor to Lessee unless and until a copy thereof shall have been mailed to the Leasehold Mortgagee of which Lessor

has received notice. Lessor agrees to accept performance and compliance by the Leasehold Mortgagee of and with any of the terms of this Lease with the same force and effect as though kept, observed or performed by Lessee. Nothing contained herein shall be construed as imposing any mandatory obligation upon the Leasehold Mortgagee to so perform or comply on behalf of Lessee. The preceding sentence shall, however, not be deemed to waive any remedies of the Lessor for failure of the obligations to be performed.

(B) Irrespective of any other right the Leasehold Mortgagee may have to maintain this Lease free from default and in the meantime to foreclose its Leasehold Mortgage or exercise any other rights it may have to take possession of the Premises by assignment, transfer, deed in lieu of foreclosure or otherwise, the Leasehold Mortgagee, as to any Event of Default that may not be cured by the payment of money and which may be cured, whether with or without entry upon the Premises, shall have the right to cure such Event of Default and, if necessary, to extend the period of time within which to cure such Event of Default for such reasonable additional time which with all due diligence and in good faith, will enable the Leasehold Mortgagee to institute foreclosure proceedings, if necessary, apply for the appointment of a receiver for the purpose, among other things, of diligently curing such Event of Default and to acquire by foreclosure Lessee's leasehold estate created by this Lease, and, in the meantime and at the earliest opportunity, to cure such Event of Default; provided,

however, the following conditions are duly and timely fulfilled:

(i) the Leasehold Mortgagee, within sixty (60) days after Lessor gives notice to the Leasehold Mortgagee of the Event of Default pursuant to the requirements of this Lease, shall give written notice to Lessor of its intention to acquire Lessee's leasehold estate and to cure such Event of Default;

(ii) the Leasehold Mortgagee, after the giving of such notice of intention, shall promptly institute foreclosure action and shall prosecute the same through foreclosure sale in good faith and with due diligence and continuity;

(iii) the Leasehold Mortgagee, during all the time mentioned after the giving of such notice of intention, to the extent within its control and only to the extent that there are funds available for such purposes in the Trust Estate (as such term is defined in the Indenture) which funds will not be needed for the payment of any amounts due under the Indenture, when acting in good faith and with due diligence, either through itself or by means of such receiver, shall commence, and diligently continue, to cure such Event of Default and, additionally, shall maintain this Lease free from any further Events of Default; and

(iv) the Leasehold Mortgagee, as to any Event of Default susceptible of being cured by the payment of money, shall but only to the extent that there are funds available for such purposes in the Trust Estate (as such term is defined in the Indenture) which funds will not be needed for the payment of any amounts due under the Indenture, promptly cure such default by the

payment of the sums due and owing.

Notwithstanding anything herein contained to the contrary, the Leasehold Mortgagee shall not be required to institute foreclosure proceedings if the Leasehold Mortgagee is able to acquire and does acquire Lessee's interest in the leasehold estate by any other means.

Nothing herein contained shall be deemed to require the Leasehold Mortgagee to continue with any foreclosure or other proceedings or, in the event the Leasehold Mortgagee shall otherwise acquire possession of the Premises, to continue such possession after the Event of Default in respect of which Lessor shall have given the notice provided for in subsection (A) of this Section has been remedied by Lessee or by Leasehold Mortgagee. If prior to any sale pursuant to any proceeding brought to foreclosure any Leasehold Mortgage, or if prior to the date on which Lessee's interest in this Lease and the Premises shall otherwise be extinguished, the Event of Default in respect of which Lessor shall have given the notice provided for in subsection (A) of this Section has been remedied and possession of the Premises and any improvements shall have been restored to Lessee, all proceedings taken under this Section 21 shall be null and void and have no further effect.

(C) If this Lease shall terminate with regard to Lessee prior to the last day of the Demised Term of the Lease or any renewal thereof and if on the date of such early termination any bonds secured by the Leasehold Mortgage shall remain outstanding

under the Trust Indenture between the Authority and a Bond Trustee which financed or refinanced projects located on the Premises, Lessor agrees that the Lease shall, at Leasehold Mortgagee's option, nevertheless remain in full force and effect and shall continue in favor of the Leasehold Mortgagee for sixty (60) days after such termination at the same rent and upon the same conditions as contained herein. In addition, Lessor agrees to enter into a new lease for the Premises with the Leasehold Mortgagee for the remainder of what would have been the shorter of (i) the Demised Term of the Lease, or the renewal term, if applicable, in the absence of such termination, or (ii) the first date on which all bonds described in the first section of this subsection 21(C) are no longer outstanding effective as of the date of such termination, at the rent and upon the same terms, covenants and conditions as contained herein, provided that:

(i) such Leasehold Mortgagee shall make written request to the Lessor for such new lease within sixty (60) days after the date of such termination, and

(ii) such Leasehold Mortgagee shall pay or cause to be paid to Lessor within ten (10) days of the date of termination with regard to Lessee, all sums unpaid which at such time would have been payable under this Lease but for such termination, and shall have cured all defaults of Lessee under this Lease, or as to such defaults which remain uncured on that date but, which are capable of being cured in a timely manner, Lessee shall have commenced and be diligently pursuing to cure, and shall pay or

cause to be paid to Lessor on that date all expenses, including reasonable attorney fees, court costs and disbursements, incurred by Lessor in connection with the execution and delivery of such new lease.

(D) No modification, amendment, assignment, surrender or cancellation of this Lease, except as otherwise provided herein, shall be effective without written approval of the Leasehold Mortgagee.

(E) Notwithstanding any provisions of this Lease to the contrary, the use, payment, disbursement or distribution of any and all proceeds of insurance policies or condemnation proceedings shall be governed by the provisions of any and all Leasehold Mortgages granted to the Leasehold Mortgagee, and Lessor and Lessee hereby agree and acknowledge that any and all rights to same under this Lease, to the extent this Lease is inconsistent with the provisions of any such Leasehold Mortgage are hereby waived by Lessor and Lessee.

22. Effect of Failure to Insist on Strict Compliance with Conditions.

The failure of either party to insist on strict performance of any covenant or condition of this Lease, or to exercise any option, herein contained, shall not be construed as a waiver of such covenant, condition, or option in any other instance.

23. Lessor's Right to Cure Lessee's Breach.

If Lessee breaches any covenant or condition of this Lease, Lessor may, on reasonable notice to Lessee (except that no notice need be given in case of emergency), cure such breach at the expense of Lessee and the reasonable amount of all expenses, including attorneys' fees, incurred by Lessor in so doing (whether paid by Lessor or not) shall be deemed rent due under this Lease and payable on demand.

24. Mechanics' Lien.

Lessee shall keep the Premises and every part thereof free from all mechanic's, materialman's and other liens arising out of or in connection with labor or materials claimed to have been furnished to or in connection with the Premises or Lessee's operation thereof. Lessee shall have thirty (30) days after notice from Lessor to discharge any such lien filed against the Premises by payment, the posting of a payment bond or by transferring the lien to security as provided in Chapter 713, Florida Statutes. Lessee shall hold Lessor harmless from any and all liability, including payment of attorneys' fees, arising out of or resulting from any such lien. See also Section 9.

25. Time and Notices.

Time is of the essence of this agreement. Any notice or request by either party to the other or to or by the Leasehold Mortgagee shall be in writing and shall be sent by U.S., express mail or hand delivered to the parties at the following addresses:

If to Lessee at: St. Johns County Welfare Federation
74 Riberia Street
St. Augustine, Florida 32084
Attention: Executive Director

If to Lessor at: St. Johns County, Florida
Post Office Drawer 349
St. Augustine, Florida 32085-0349
Attention: County Administrator

If to Leasehold
Mortgagee at: The Bank of New York
10161 Centurian Boulevard
Jacksonville, Florida 32256
Attention: Corporate Trust Division

or to such other address as either party may designate for notice purposes by delivery of notice to the other party.

Notice shall be deemed to have been duly given upon mailing. Any reference herein to periods of less than six (6) days shall, in the computation thereof, exclude Saturdays, Sundays and legal holidays, and any time period provided for herein which shall end on a Saturday, Sunday or legal holiday, shall extend to 5:00 p.m., of the next full business day.

26. Force Majeure.

In the event, after exerting every good faith effort, the Lessor or Lessee shall be delayed, hindered or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure to receive any necessary permit or appraisal, failure of power, restrictive governmental laws or regulations, riots, insurrection, war, or the act, failure to act, or default of the other party, or other reason beyond its control, then the performance of such act

shall be excused for the period of the delay and the period for performance of any such act shall be extended for a period equivalent to the period of such delay. In the event the reason for the delay, hindrance or prevention can be cured within a reasonable period of time, the performance of such act shall be tolled for such reasonable period and the period for performance of such act shall be extended for a period equivalent to the reasonable period required for such cure.

27. Effect of Other Representations, Agreements.

No other agreements, representations or promises shall be binding on the parties to this agreement except those agreements, representations and promises contained herein or in some future writing signed by the party making such representations or promises. This Lease may not be modified or terminated orally. This Lease shall supersede any and all prior leases between Lessor and Lessee concerning the Premises or any part thereof.

28. Section Headings.

The Section Headings in this Lease are intended for convenience only and shall not be taken into consideration in any construction or interpretation of this Lease or any of its provisions.

29. Lessor's Right to Inspection, Repair and Maintain.

Lessor may enter the Premises at any reasonable time, upon adequate notice to Lessee (except that no notice need be given in case of emergency) for the purpose of inspection or the making

of such repairs or replacements in, to, on and about the Premises or the building, as Lessor deems necessary or desirable.

30. Binding Effect on Successors and Assigns.

The provisions of this Lease shall apply to, bind, and inure to the benefit of Lessor and Lessee and any Leasehold Mortgagee and their respective successors and assigns.

31. Severability.

If any provision of this Lease or portion of such provision or the application thereof to any person or circumstance is held invalid, the remainder of the Lease (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

32. Governing Law.

This agreement shall be governed by the laws of the State of Florida.

33. Recording of Lease.

This Lease shall be recorded by the Lessee in the official public records of St. Johns County, Florida. It shall not be effective until it is recorded. It shall be of no effect whatsoever if it is not recorded before December 31, 1996.

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

Signed, sealed and delivered in the presence of:

BOARD OF COUNTY COMMISSIONERS,
ST. JOHNS COUNTY, FLORIDA

Laura S. Taylor
Witness Laura S. Taylor
(print or type name)

By: Nicholas M. Meiszer
NICHOLAS M. MEISZER
County Administrator

Norma G. Pirkle
Witness NORMA G. PIRKLE
(print of type name)

Attest: Patricia DeGrande
Deputy Clerk

LESSOR

ST. JOHNS COUNTY WELFARE
FEDERATION

Gloria M. Banta
Witness Gloria M. Banta
(print or type name)

By: Jerod Meeks
JEROD MEEKS
Its President

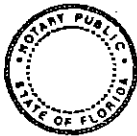
John D. Bailey, Jr.
Witness John D. Bailey, Jr.
(print or type name)

Attest: [Signature]
Its Executive Director

LESSEE

STATE OF FLORIDA)
COUNTY OF ST. JOHNS)

The foregoing instrument was acknowledged before me this 25th day of September, 1996, by Nicholas M. Meiszer and Patricia Grande, as Administrator and Deputy Clerk, respectively, for the Board of County Commissioners, St. Johns County, Florida, a political subdivision of the State of Florida, on behalf of Lessor, who () are personally known to me or () produced FL driver's license no. _____ and _____ as identification.



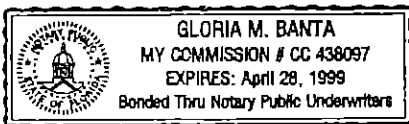
Notary Public, State of Florida
NORMA G. PIRKLE
My Comm. Exp. Jan. 16, 1997
Comm. No. CC 249862

Norma G. Pirkle

Notary Public
My commission number: 249862
My commission expires: 1-16-97

STATE OF FLORIDA)
COUNTY OF ST. JOHNS)

The foregoing instrument was acknowledged before me this 24 day of September, 1996, by Jerod Meeks and Larry B. Lake, as President and Executive Director, respectively, of St. Johns County Welfare Federation, a Florida not-for-profit corporation, on behalf of the corporation, as Lessee, who () are personally known to me or () produced Florida driver's license no. _____ n/a and _____ n/a as identification.



GLORIA M. BANTA
MY COMMISSION # CG 438097
EXPIRES: April 28, 1999
Bonded Thru Notary Public Underwriters

Gloria M. Banta

Notary Public
My commission number: CG 438097
My commission expires: 04/28/99
q:\gb\welfare\lease.fin

MAP SHOWING A BOUNDARY SURVEY OF:

A PART OF BLOCK 49, POWDER HOUSE LOT, AND THAT AREA ACCRETED THERETO, IN THE CITY OF ST. AUGUSTINE, TOWNSHIP 7 SOUTH, RANGE 30 EAST, TALLAHASSEE MERIDIAN, JOHNS COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL "1"

Commence at a point on the northern boundary line of Block 49 Powder House Lot and its intersection with the westerly right of way line of Marine Street (a 40 foot right of way as now exists), being an 8" x 8" monument; thence departing said northerly line of Block 49, Powder House Lot, South 21'27"00" East, a distance of 17.31 feet to the Point of Beginning; thence North 82'00"52" East, within the vacated former Hedrick Street right of way, a distance of 405.53 feet, to a point on the easterly boundary line of Block 49, Powder House Lot; thence South 44'22"16" West, along said easterly line of Block 49, Powder House Lot, a distance of 36.46 feet; thence continuing along said easterly line, South 17'30"25" East, a distance of 246.17 feet to an intersection with a jurisdictional wetlands line; thence follow said wetlands line the following courses: South 42'10"18" West, 10.12 feet; South 28'03"19" West, 30.96 feet; North 84'31"50" West, 22.22 feet; South 26'21"44" East, 76.23 feet; South 19'08"21" East, 45.88 feet; South 22'50"09" East, 43.19 feet; South 10'46"53" West, 38.78 feet; South 50'23"27" East, 24.61 feet to a point; thence South 67'05"44" West, departing said Jurisdictional wetlands line, a distance of 288.81 feet to corner; thence North 21'27"00" West, a distance of 596.12 feet to the Point Of Beginning.

Subject parcel thus described contains 181,291 square feet or 4.1619 acres, more or less.

PARCEL "2" (ACCRETED LANDS)

Commence at a point on the northern boundary line of Block 49 Powder House Lot and its intersection with the westerly right of way line of Marine Street (a 40 foot right of way as now exists), being an 8" x 8" monument; thence along the said northerly line of Block 49, Powder House Lot, North 82'00"52" East, a distance of 431.38 feet to the Point Of Beginning, being the Northeast corner of said Block 49; thence South 13'38"31" East, following a Jurisdictional wetlands line, a distance of 45.34 feet, to a point; thence South 14'21"24" East, a distance of 49.53 feet to a point; thence South 05'04"57" East, a distance of 49.30 feet to a point; thence continuing along said Jurisdictional wetlands line, South 10'42"56" East, a distance of 84.77 feet to a point; thence South 00'17"05" East, a distance of 31.02 feet to a point; thence South 21'35"21" West, a distance of 19.06 feet to a point; thence South 42'10"18" West, a distance of 9.91 feet, to an intersection with the Easterly line of said aforementioned Powder House Lot; thence North 17'30"25" West, a distance of 246.17 feet, to the Point Of Beginning.

Subject parcel thus described contains 10,329 square feet or 0.2371 acres, more or less.

PARCEL "3" (JURISDICTIONAL WETLANDS)

Commence at a point on the northern boundary line of Block 49 Powder House Lot and its intersection with the westerly right of way line of Marine Street (a 40 foot right of way as now exists), being an 8" x 8" monument; thence along the said northerly line of Block 49, Powder House Lot, North 82'00"52" East, a distance of 431.38 feet, to the Northeast corner of Block 49, Powderhouse Lot; thence South 44'22"16" West, along the Easterly line thereof, a distance of 64.02 feet, to a point on the easterly boundary line thereof; thence South 17'30"25" East, continuing along the said easterly line; thereof, a distance of 246.17 feet to an intersection with a jurisdictional wetlands line; thence follow said wetlands line the following courses: South 42'10"18" West, 10.12 feet; South 28'03"19" West, 30.96 feet; North 84'31"50" West, 22.22 feet; South 26'21"44" East, 76.23 feet; South 19'08"21" East, 45.88 feet; South 22'50"09" East, 43.19 feet; South 10'46"53" West, 38.78 feet; South 50'23"27" East, 24.61 feet to a point; thence North 67'05"44" East, departing said Jurisdictional wetlands line, a distance of 39.44 feet to the Easterly line of aforesaid Block 49; thence North 17'30"25" West, along said Easterly line, a distance of 233.40 feet to the Point Of Beginning.

Subject parcel thus described contains 9,220 square feet or 0.2117 acres, more or less.

EXHIBIT

PARKING EASEMENT

Commence at a point on the northern boundary line of Block 49 Powder House Lot and its intersection with the westerly right of way line of Marine Street (a 40' right of way as now exists), being an 8" x 8" monument; thence along the said northerly line of Block 49, Powder House Lot, South 72 degrees 31 minutes 10 seconds West, a distance of 220.44 feet; to the Northwest corner of Block 49, Powder House Lot; thence South 01 degree 17 minutes 28 seconds West, along the Westerly line thereof; a distance of 146.96 feet, to a point; thence South 21 degrees 14 minutes 27 seconds East, a distance of 93.90 feet to a point; thence North 68 degrees 26 minutes 26 seconds East, a distance of 277.06 feet to an intersection with the Southerly prolongation of the aforementioned Westerly right of way line of Marine Street; thence North 21 degrees 27 minutes 00 seconds West, along the Southerly prolongation thereof, a distance of 213.59 feet to the Point of Beginning.

Subject parcel thus described contains 57,889 square feet or 1.3289 acres, more or less.

EXHIBIT "B"