

RESOLUTION NO. 2015- 242

A RESOLUTION BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE TERMS AND AUTHORIZING THE COUNTY ADMINISTRATOR, OR DESIGNEE, TO EXECUTE A LEASE AGREEMENT WITH RURAL HEALTH CARE, INC., d/b/a AZALEA HEALTH FOR SPACE AT W. LATTIN STREET, HASTINGS, FLORIDA.

RECITALS

WHEREAS, Rural Health Care, Inc. d/b/a Azalea Health has a long history of providing primary health care services to medically underserved populations directly and in collaboration with other safety net health care providers such as the St. Johns County Health Department (SJCHD); and

WHEREAS, Rural Health Care, Inc. d/b/a Azalea Health has expressed an interest in renewing their Lease Agreement with St. Johns County and has submitted a Lease Agreement, attached hereto as Exhibit "A", incorporated by reference and made a part hereof; and

WHEREAS, the proposed Lease Agreement will be effective for one year beginning August 20, 2015 and provides an additional four terms of one year each; and

WHEREAS, the County has determined that entering into said Lease Agreement will serve the interest and welfare of the residents of St. Johns County.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of St. Johns County, Florida, as follows:

Section 1. The above Recitals are incorporated by reference into the body of this Resolution and such Recitals are adopted as findings of fact.

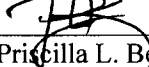
Section 2. The Board of County Commissioners hereby approves the terms of the Lease Agreement and authorizes the County Administrator, or designee, to execute said Lease Agreement on behalf of the County.

Section 3. To the extent that there are typographical errors that do not change the tone, tenor, or concept of this Resolution, then this Resolution may be revised without subsequent approval by the Board of County Commissioners.

Section 4. The Clerk is instructed to record the original Lease Agreement in the Public Records of St. Johns County, Florida.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, Florida this 1 day of September, 2015.

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: 
Priscilla L. Bennett, Chair

ATTEST: Cheryl Strickland, Clerk

By: 
Deputy Clerk

RENDITION DATE 9/3/2015

LEASE AGREEMENT

THIS LEASE, made and executed by and between **ST. JOHNS COUNTY**, a political subdivision of the State of Florida, whose address is 500 San Sebastian View, St. Augustine, Florida 32084, hereinafter referred to as Landlord, ("Landlord"), and **RURAL HEALTH CARE, INC., d/b/a AZALEA HEALTH**, a not-for-profit corporation authorized to conduct business in the State of Florida, whose mailing address is Post Office Drawer 817, Palatka, Florida 32178, hereinafter referred to as Tenant ("Tenant").

IN CONSIDERATION of the respective covenants and agreements of the parties contained herein, the Landlord does hereby lease to the Tenant the below described Premises, Other Areas and Common Areas, pursuant to the terms and conditions set forth below.

ARTICLE 1 BASIC LEASE PROVISIONS AND EXHIBITS

Section 1.01: Basic Lease Provisions and Exhibits

DATE OF LEASE: August 20, 2015

NAME and ADDRESS OF LANDLORD:

St. Johns County, Florida, a political subdivision of the State of Florida
c/o Land Management Systems
500 San Sebastian View
St. Augustine, Florida 32084

NAME and ADDRESS OF TENANT:

Rural Health Care, Inc.,
d/b/a Azalea Health
Post Office Drawer 817
Palatka, Florida 32178

Section 1.02: The Premises.

Landlord hereby leases to Tenant that certain property situated on 201 W. Lattin Street, Hastings, County of St. Johns, State of Florida, more particularly described in 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. Said Premises consists of designated areas for the use of primary health and dental care.

Section 1.03: Permitted Use.

The property leased hereby shall be used solely and exclusively for public and governmental purposes including, but not limited to, public health care.

Section 1.04: Scheduled Lease Term.

The term of this Lease shall be for one year commencing August 20, 2015 and ending on August 19, 2016. If Tenant determines at any time that the Property has become unsuitable for the intended use, Tenant shall provide one hundred eighty (180) days written notice to Landlord advising of such unsuitability and electing to terminate this Lease at the end of said 180-day period.

Section 1.05: Option to Renew

Upon expiration of the Initial Term of this Lease or any extension provided for hereafter, and provided Tenant is not then in default of this Lease in a manner set forth in Section 8.01 hereof, Tenant shall have the option to renew this Lease for an additional four (4) terms of one (1) year each on the same terms and conditions as contained herein. If Tenant elects to exercise this right of renewal, Tenant shall notify Landlord in writing at least one hundred eighty (180) days prior to the end of the then current termination date.

Section 1.06: Rent.

The Rent due hereunder for the Lease Term shall be the sum of one dollar (\$1.00), to be made payable in advance of execution of this Lease. Such rent shall be paid in advance on the first day of any such additional lease term. *See also* Article 3 hereof.

Section 1.07: Condition of Premises.

The Tenant will take possession of the Premises with existing structures and together with future improvements for use as a public health care facility. Any further improvements required for the Tenant's occupancy and use of the Premises may be made in accordance with the terms of this Lease and at the Tenant's sole expense.

Section 1.08: Licenses and Permits.

Tenant shall obtain all licenses and/or permits required by St. Johns County, Florida, as well as any State and Federal agencies.

Section 1.09: Covenant of Ownership.

Landlord covenants to Tenant that Landlord owns the property in fee simple title and has full authority to enter into this Lease.

**ARTICLE 2
LANDLORD'S GRANT OF POSSESSION AND QUIET ENJOYMENT**

Section 2.01: Demise.

In consideration of the rent and the covenants and agreements contained in this Lease, Landlord leases the Premises, and Tenant hereby rents same, pursuant to and in accordance with the terms and conditions set forth in this Lease.

Section 2.02: Quiet Enjoyment.

Upon paying all sums due from Tenant to Landlord and performing and observing all of Tenant's covenants and obligations hereunder, Tenant, subject to the provisions hereof, may peacefully

and quietly have, hold, use and enjoy the Premises, the Other Areas and may use and enjoy the Common Areas throughout the Lease term without interference by Landlord.

Section 2.03: St. Vincent's Healthcare.

It is hereby acknowledged and agreed by Tenant to allow St. Vincent's to continue occupancy of said facility and continue to offer health care for the indigent at 201 W. Lattin Street on a mutually agreeable day and time for the duration of said Lease.

Section 2.04: WIC Occupancy.

It is hereby agreed by Tenant that WIC will have access and use of an examination room/office within said structure on a mutually agreeable day and time, in order for WIC to conduct examination and appointments on site.

**ARTICLE 3
TENANT'S OBLIGATION TO PAY RENT**

Section 3.01: Obligation to Pay Rent.

Notwithstanding any other Article, section or provision of this Lease, the Tenant's obligation to pay Rent and to make payments to Landlord under this Lease is limited solely and only to payment from the funds of the Tenant described in the following covenant and solely and only in the manner and to the extent described in this Article and in such covenant.

Section 3.02: Covenant to Budget.

The Tenant covenants and agrees to appropriate in its annual budget for payment under this Lease.

**ARTICLE 4
UTILITIES**

Section 4.01: Parties' Respective Obligations.

At Tenant's expense, Tenant shall independently contract for, and pay all costs associated with any and all telecommunication utilities and security system monitoring, if any, used or consumed in the Premises. Tenant shall provide all necessary and appropriate electricity, gas, water, sewage and solid waste removal. Tenant and the County shall equally share the cost for electricity to subject site on a monthly basis. Tenant shall pay the full invoice and the County will reimburse Tenant for fifty percent (50%) of the monthly invoice. If the County vacates the subject site at any time during the Initial Term of this Lease or any extension provided for hereafter, the County shall be responsible for fifty percent (50%) of the electrical costs up to through the end of their final month at this site; thereafter, Tenant shall be solely and fully responsible for the electrical costs.

**ARTICLE 5
MAINTENANCE, OPERATION, IMPROVEMENTS, REPAIR
AND JANITORIAL SERVICES**

Section 5.01: Maintenance by Landlord.

Landlord shall maintain, repair and keep the structural components and supporting walls, foundation, roof, mechanical systems, HVAC systems, electrical systems, plumbing systems, (including all fixtures pertaining to heating, air-conditioning, ventilation, water, sewer, and electrical), parking areas, landscaping, gutters, downspouts, sprinkler systems, if any, and all other improvements in good repair. Landlord shall maintain and provide cleanup of all parking lots and maintain any exterior flood lights on the Premises. Prompt notification of any defects or hazards should be made to the St. Johns County Real Estate Department.

Landlord, however, shall have no duty to make any repairs within the Premises resulting from:

- a) any alterations, modifications or improvements made by or on behalf of Tenant;
- b) the installation of Tenant's property, fixtures (trade or otherwise), equipment or inventory;
- c) Tenant's use or occupancy of the Premises in violation of this Lease or in a manner not consistent herewith; or
- d) the acts or omissions of Tenant, its employees, agents, contractors, subtenants, invitees, guests, licensees, assigns or customers.

Section 5.02: Maintenance by Tenant.

Except for Landlord's maintenance responsibilities as provided elsewhere in this Lease, Tenant, at Tenant's sole expense, shall maintain the Premises, including all glass, in good order, condition and repair and in a clean, pleasant, sightly, sanitary and safe condition. Failure by Tenant to maintain the Premises as provided in this Lease may result in Landlord having to expend funds for clean-up and/or repair. If such incident occurs, then Tenant shall fully reimburse Landlord, within ten (10) business days of the clean-up and/or repair, for all costs/expenses associated with the clean-up and/or repair. It is expressly understood that Tenant, at its sole expense, shall provide for any pest control or janitorial services necessary to maintain the Premises in a clean, pleasant, sightly, sanitary and safe condition.

Section 5.03: Improvements by Tenant.

Tenant shall incur all costs associated with any and all construction build-out or improvements to the interior and/or exterior of the structure upon written consent and permission of the Landlord which shall not be unreasonably withheld. 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 Landlord in the premises shall not be subject to construction liens or other liens for improvements made by the Tenant. All improvements made at the premises shall, upon the expiration or earlier termination of this Lease, be the property of the Landlord if not removed within ninety (90) days or unless otherwise agreed between the parties in writing.

Section 5.04: Sign Awnings and Canopies.

At all times, Tenant shall maintain its signs, decorations, lettering and advertising material in good condition and repair.

Section 5.05: Liens.

No encumbrances, charges or liens against the property shall exist because of any action or inaction by Tenant or its independent contractors. Tenant shall discharge by bond or otherwise within ten (10) days of notice of its existence, any lien, encumbrance or other charge arising in violation of this Article.

Section 5.06: Surrender of Premises.

Upon termination of this Lease, Tenant shall surrender the Premises in the same condition as the Commencement Date, reasonable wear and tear and loss due to casualty and condemnation excepted, and shall surrender all keys for the Premises to Landlord. Tenant must remove all its trade fixtures and personal property and, if requested, any other installation, alterations or improvements made by Tenant and shall repair any damage caused thereby. Any and all property not removed from the Premises within ninety (90) days at the termination of this Lease or the end of the term of this Lease or extension hereof, will be considered to have reverted to the status of building improvements belonging to the Landlord or to have been abandoned as to any and all rights or claims of Tenant, and will be at Landlord's sole right of disposal.

**ARTICLE 6
INSURANCE AND INDEMINIFICATION**

Section 6.01: Tenant's Coverage.

To the extent permissible by law, the Tennant agrees to indemnify and hold Landlord and its officers, agents, and employees harmless from any and all liability, damages, actions, claims, demands, expenses, judgments, fees and costs of whatever kind or character, arising from, by reason of, or in connection with the operations or use of the Premises described herein. It is the intention of the Tenant that Landlord and its officers, agents and employees shall not be liable or in any way responsible for injury, damage, liability, loss or expense resulting to any employee or third party while on the Premises due to accidents, mishaps, misconduct, negligence or injuries either in person or property. The Tenant expressly assumes full responsibility for any and all damages or injuries which may result to any person or property by reason of or in connection with the use of the facilities pursuant to this agreement.

The Tenant assumes responsibility for any and all claims for personal injury damages arising out of its use of the Premises. Landlord shall not be liable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by the Tenant or by any person whosoever may be using or occupying or visiting the leased facility, or be in, on or about the same, whether such loss, injury, death or damage shall be caused by or in any way result from or arise out of any act, omission or negligence of the Tenant or of any occupant, subtenant, visitor or user of any portion of the Premises. The indemnity provisions of this section shall survive the termination of this Lease. This provision relating to Indemnity, is separate and apart

from, and is in no way limited by, any insurance provided by the Tenant, pursuant to this Lease, or otherwise.

The Tenant shall, at all times during the term of this lease, maintain in full force and effect a policy, or policies, of commercial general liability insurance. Coverage shall provide minimum limits of liability of \$1,000,000 per occurrence, \$2,000,000 aggregate, for bodily injury and property damage. The liability policy shall include a waiver of subrogation in favor of St. Johns County. St. Johns County shall be named as additional insured by policy endorsement and shall apply as primary and non-contributory.

The Landlord will not insure any property or contents stored on the property by the Tenant.

If required, Tenant will, for the entire term of this Lease and at Tenant's cost and expense, maintain for its benefit and the benefit of Landlord, 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 Landlord 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 Landlord. 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.

All insurance policies required by this section shall be secured from and maintained with insurance companies qualified under the laws of the State of Florida to assume the risks undertaken. Prior to execution of this agreement, copies of current policies and certificates of insurance including the additional insured/co-insured endorsements will be provided to St. Johns County, 500 San Sebastian View, St. Augustine, Fl 32084, and include the name of the Tenant, the lease term, and property address. St. Johns County will be given thirty (30) day notice prior to cancellation or modification of this insurance.

In the event of unusual circumstances, the County Administrator or his designee may adjust these insurance requirements.

Section 6.02: Landlord's Coverage.

Landlord shall maintain adequate liability and property insurance covering the building. Tenant shall be named as co-insured on all liability policies.

Section 6.03: Alcohol on County Premises.

Alcohol is only permitted in or on County premises with prior written permission of the County Administrator on a completed Application for Permit for Possession and Consumption of Alcoholic Beverage on Public Property in Accordance with Ordinance 99-50.

**ARTICLE 7
DAMAGE AND DESTRUCTION**

Section 7.01: Fire, Explosion, or Other Casualty.

Tenant shall immediately give notice to Landlord of any damage to the Premises or Other Areas if the Premises are damaged by fire, explosion, wind, water or other casualty (" Occurrence"). Unless the Landlord determines that it is not cost effective to repair the Premises, the damage shall promptly be repaired by Landlord subject to this Section. If the Landlord determines that it is not cost effective to repair the Premises, Landlord shall provide Tenant ninety (90) days written notice of termination of this Agreement in accordance with the requirements of Article 7. Landlord shall not be required to repair or replace Tenant's improvements, alterations and additions, inventory, fixtures, furniture, furnishings, equipment and other personal property. In the event Landlord fails to notify Tenant within 30 days after the Occurrence of the Landlord's election to either repair all damages required to be repaired by Landlord or to terminate this Lease, or in the event that the Landlord's repairs take more than 120 days from the date of notification to complete, the Tenant, at its option, may unilaterally terminate this Lease.

Section 7.02: Landlord's Work.

Upon an Occurrence, Landlord need only make such repairs as are necessary to place the damaged portions of the property in the same condition as when possession of the Premises was initially delivered to Tenant.

**ARTICLE 8
DEFAULT AND REMEDIES**

Section 8.01: Tenant's Default.

If Tenant fails to:

- a) Pay all or any monthly installments of the Rent or any other sum due to the Landlord from Tenant hereunder within thirty (30) days after Landlord notifies Tenant that such sum is past due; or
- b) Cease all conduct prohibited hereby within ten (10) days of receipt of written notice from Landlord; or
- c) Take appropriate action within ten (10) days of receipt of written notice from Landlord requesting Tenant to remedy Tenant's failure to perform any of the terms, covenants and conditions hereof; or
- d) Conform to the Lease provisions and is otherwise in breach of Tenant's obligations hereunder and shall not have cured the default to the satisfaction of the Landlord within fifteen (15) calendar days following receipt of written notice from the Landlord; then, the Tenant shall be in default.

Upon such default, the Landlord may terminate this Lease and re-enter and resume possession of the Premises. Upon such termination, the Tenant shall be responsible for reasonable expenses incurred by termination occasioned by Tenant's default, and the Tenant shall pay the remainder of the Lease Term; provided, however, that the amounts reduced by the amount of rents, if any,

received from replacement all such payments all obligations of Tenant to Landlord under this Lease shall cease. Landlord shall use its best efforts to promptly obtain replacement tenants at a fair rental.

Section 8.02: Landlord's Default.

If Landlord fails to:

- a) Take reasonable action within ten (10) calendar days of receipt of written notice from Tenant requesting Landlord to remedy Landlord's failure to perform any of the terms, covenants and conditions as described in this Lease; or
- b) Conform to the Lease provisions and is otherwise in breach of Landlord's obligations hereunder and shall not have cured such failure within fifteen (15) calendar days following receipt of written notice from Tenant; then, Landlord shall be in default.

Upon such default, the Tenant may terminate this Lease. In such event and upon vacation by Tenant, Landlord shall be responsible for all reasonable expenses, including temporary storage, incurred by Tenant. In addition, upon such termination occasioned by Landlord's default and upon vacation of the Premises by the Tenant, the Landlord shall pay the Tenant as damages the difference between the rents required to obtain replacement premises during the remainder of the Lease Term if such replacement rents are higher than the rents herein. Upon tender of all such payments, all obligations of Landlord to Tenant under this Lease shall cease.

Section 8.03: Termination of Lease.

If the Landlord, at its sole discretion, determines at any time that the Property has become unsuitable for the intended use, or that there are other circumstances that negatively affect the lease of subject property, then Landlord shall give one hundred eighty (180) days written notice to Tenant advising of such unsuitability and electing to terminate this Lease at the end of said 180-day period. Provision of such notice shall not be considered an event of default on the part of the Landlord, even if such notice is issued in response to a request for repairs or maintenance by the Tenant.

**ARTICLE 9
ASSIGNMENT AND SUBLETTING/RENTAL**

Section 9.01: Covenant Not to Assign or Sublet Without Consent.

Tenant covenants that it will not rent, lease or otherwise allow occupancy of the premises to any third party without written consent of the Landlord, which will not be unreasonably denied.

**ARTICLE 10
HAZARDOUS SUBSTANCES**

Section 10.01: Hazardous Substances.

- a) Neither Tenant, nor any permitted assignee, subtenant, licensee or other person or entity acting at the direction or with the consent of Tenant shall manufacture, treat, use, store or dispose of any unlawful quantity or concentration of a Hazardous Substance on or from the Premises, or any part thereof, unless the manufacturing, treatment, use, storage,

disposal, or release of such hazardous substance is approved in writing by Landlord. Notwithstanding the above, Tenant may locate up to two locked medical waste containers outside of and adjacent to the leased premises. Such containers are to be maintained in accordance with appropriate regulatory standards.

- b) The term "Hazardous Substance" shall mean any waste, substance or material (i) identified in Section 101 (14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as the same may be amended from time to time ("CERCLA"); or (ii) determined to be hazardous, toxic, a pollutant or contaminant under Federal, State or Local law, rule, regulation or judicial or administrative order or decision, as the same may be amended from time to time.

ARTICLE 11 MISCELLANEOUS

Section 11.01: Severability.

In the event any provision of the Lease is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 11.02: Execution in Counterparts.

This Lease may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 11.03: Captions.

The captions and headings in this Lease are for convenience only and do not define, limit, or describe the scope or intent of any Articles or Sections of the Lease.

Section 11.04: Effect of Failure to Insist on Strict Compliance.

The failure of either party to insist upon strict performance of any provision of this Lease shall not be construed as a waiver of such provision on any subsequent occasion.

Section 11.05: Choice of Law and Venue.

This Lease shall be construed according to the laws of the State of Florida. Venue for any legal or administrative action arising under this Lease shall lie exclusively in St. Johns County, Florida.

Section 11.06: Notice.

Any notice required to be sent according to provisions of this Lease shall be sent to the addresses set forth in Section 1.01.

**ARTICLE 12
RADON GAS**

Section 12.01: 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 a period of 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 public health unit. (Section 404.056(5), F.S.)

**ARTICLE 13
BUILDING DESIGNATION**

Section 13.01: Building Designation.

It is hereby acknowledged and accepted by Tenant that 201 W. Lattin Street has been designed as the Shell Regan Community Resource Center. The designated sign shall remain on the subject site.

IN WITNESS WHEREOF, the parties hereto have executed this Lease under Seal as of the day and year first above written.

Tenant:
RURAL HEALTH CARE, INC.
d/b/a AZALEA HEALTH

Witness _____
Print: _____

BY: _____
Laura M. Spencer
President & CEO

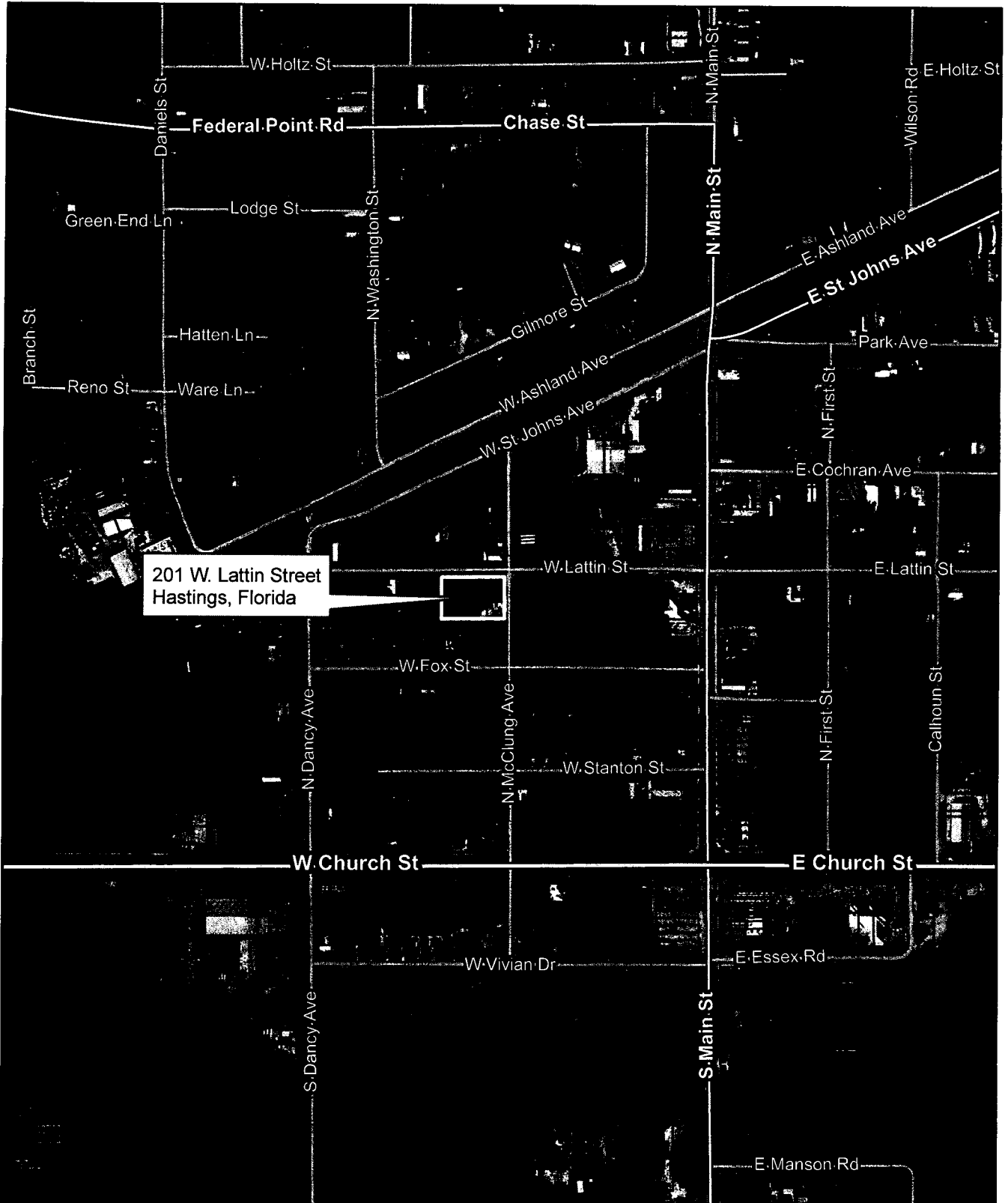
Witness _____
Print: _____

Landlord:
ST. JOHNS COUNTY, FLORIDA, a
political subdivision of the State of Florida

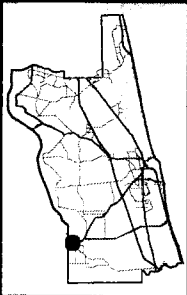
Witness _____
Print: _____


BY: _____
Michael D. Wanchick
Its County Administrator

Witness _____
Print: _____



201 W. Lattin Street
Hastings, Florida




 2013 Aerial Imagery
 0 100 200
 Feet
 July 27, 2015

RURAL HEALTH CARE, INC
 d/b/a AZALEA HEALTH

**Land Management
 Systems
 Real Estate
 Division**
 (904) 209-0764
Disclaimer:
 This map is for reference use only.
 Data provided are derived from multiple
 sources with varying levels of accuracy.
 The St. Johns County Real Estate
 Division disclaims all responsibility
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