

LEASE AGREEMENT

THIS LEASE AGREEMENT, is made and entered into this 22nd day of July, 2008, by and between The School Board of Sarasota County, Florida, a body corporate under the laws of the State of Florida, hereinafter referred to as the Lessor or "School Board", and Ringling College of Art and Design, a Florida corporation, hereinafter referred to as the Lessee or "Ringling".

W I T N E S S E T H:

WHEREAS, the Historic Sarasota High School Building was opened for use in 1927 and has been operated by the School Board since that time; and

WHEREAS, the School Board has determined that the Historic Sarasota High School Building is no longer economical to operate for K-12 public education purposes; and

WHEREAS, the Historic Sarasota High School Building remains an important structure in the greater Sarasota area and can continue to be put to significant use which will serve the community; and

WHEREAS, Ringling has determined it can use the Historic Sarasota High School Building for a combination of uses including classroom space for its educational program and an art museum open to the public and other academic, non-residential uses which are consistent with the then current activities of Ringling; and

WHEREAS, the School Board finds that Ringling's operation of the Historic Sarasota High School Building will benefit the public and serve valid educational and public purposes.

NOW, THEREFORE, in consideration of the foregoing premises and in consideration of the covenants hereinafter contained, it is agreed between the parties as follows:

1. GRANT OF LEASEHOLD. School Board does hereby lease unto Ringling and Ringling does hereby accept from School Board the real property commonly known as the Historic Sarasota High School Building, 1001 South Tamiami Trail, Sarasota, Florida, and certain adjacent parking, situate in Sarasota County, Florida, as further described in Exhibit A attached hereto,

hereinafter referred to as the "Demised Premises."

2. TERM AND RENT. The term of this Lease Agreement shall be for a period of ninety-nine (99) years unless terminated earlier as provided herein. The lease term shall commence on August 1, 2008. The Demised Premises shall rent for a total rental of One Dollar (\$1.00), per year, payable in advance upon the execution of this Lease Agreement. The faithful performance by Ringling of the terms, conditions and covenants contained herein shall be deemed to be additional consideration for the grant of the lease to Ringling.

3. QUIET ENJOYMENT. Provided Ringling keeps and performs all of the terms, covenants and conditions hereof, Ringling shall peaceably possess and quietly enjoy the Demised Premises without hindrance or interruption subject only to the terms hereof, reservations, restrictions and easements of record and applicable zoning and other governmental regulations.

4. USE OF PREMISES. Ringling shall use the Demised Premises for the purposes of operating a visual arts education center and other academic, non-residential uses which are consistent with the then current activities of Ringling, and no other use shall be made thereof with out the prior express written consent of School Board. Ringling has examined the Demised Premises and agrees to accept same "as is." Ringling shall make no immoral, offensive or illegal use of the Demised Premises. Ringling shall abide by all reasonable directions and requirements of the insurance company of Ringling's choice insuring the Demised Premises and shall keep and abide by all laws, ordinances, rules and regulations of all governmental bodies and their respective regulatory agencies having any jurisdiction over the Demised Premises. Ringling shall not commit or suffer any waste in or about the Demised Premises. Ringling shall maintain adequate and working fire and security systems at all times during the term of this lease. In addition to any other rights granted herein, the School Board shall have the right to conduct safety inspections of the Demised Premises at reasonable times and with prior notice to Ringling.

5. UTILITIES. Ringling shall be responsible for securing separate services and fully and promptly paying for all water, trash, gas, electricity, sewage, telephone service and other public utilities of every kind furnished to the Demised Premises throughout the term hereof at the commencement of this lease, and all other costs and expenses of every kind whatsoever of or in connection with the use, operation and maintenance of the

Demised Premises and all activities conducted thereon.

6. PARKING/SIGNAGE. The Demised Premises include 156 specified parking spaces north and south of the Historic Building as indicated on Exhibit A, which shall be used exclusively for parking. The parties recognize that the School Board will retain the remainder of the parking spaces north and south of the Historic Building for its staff, students, and visitors. Prior to beginning the public's use of the Demised Premises, (1) the School Board shall retain the right to use the parking spaces that are part of the Demised Premises and (2) Ringling shall be responsible for developing an engineering plan, at its sole expense, that will provide for the safe and orderly ingress and egress from the parking areas both for its invitees and for the Sarasota High School community. Such plan must include, among other things, provision for the separation of parking facilities between Ringling and School Board use, appropriate signage, and School Board use of Ringling's parking area during special school events such as athletic competitions. The plan must be agreed to by the parties prior to implementation.

Ringling agrees to pay for the relocation and/or replacement of equal value of any signage removed from the Demised Premises, at the option of the School Board. The School Board must approve any signage which Ringling seeks to place on the Demised Premises.

7. IMPROVEMENT OF PREMISES. Subject to the prior approval of the School Board which shall not be unreasonably withheld, during the term of this Lease Agreement, Ringling shall have the right to make improvements and alterations to the Historic Building currently on the Demised Premises including such space redesign as is necessitated by the anticipated uses set forth in paragraph 4 above. No improvements which will reduce parking spaces is permitted. All improvements or alterations shall be erected in a good and workmanlike manner and must meet the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. Prior to altering existing improvements, commencing construction of new improvements, or erection of signage, Ringling must submit its plans and specifications to the School Board and obtain written consent. Consent will not be unreasonably withheld. Such consent, or lack thereof, will be communicated to Ringling, in writing, no more than sixty (60) days after submittal. Additionally, if required, the School Board will submit all plans for historic preservation to the Florida Department of

State, Division of Historic Resources for its approval.

8. MAINTENANCE. Ringling shall have the sole responsibility to manage and operate the Demised Premises including all improvements constructed on the Demised Premises. Ringling, at its sole expense, shall maintain the Demised Premises including the interior and exterior of any structure on the Demised Premises. This duty of maintenance includes, but is not limited to, repair and, as needed, replacement of all building system components such as HVAC, plumbing, roof, and electrical. Ringling shall keep the improvements in a state of good repair for the entire term of this Lease Agreement, and any extensions hereof.

The parties believe that the School Board has removed all friable asbestos from the Historic Sarasota High School Building although they recognize that additional asbestos may be found during remodeling or renovation. The School Board will pay for any additional and necessary removal of asbestos up to a limit of Twenty Thousand (\$20,000) Dollars after the commencement of this lease. Thereafter, Ringling shall be responsible for undertaking and paying for all necessary future asbestos abatement activities.

Ringling shall maintain any exterior landscaping of the Demised Premises including the parking area in good repair. Ringling agrees that School Board shall have the right at all reasonable times to enter upon the grounds of the Demised Premises. Ringling shall not commit, nor suffer to be committed, waste to the Demised Premises, or to any improvement on the Demised Premises. Ringling acknowledges that School Board shall have no responsibility for the operation and maintenance of the facilities on the Demised Premises, except as otherwise provided in this Lease Agreement.

9. LIABILITY INSURANCE AND INDEMNIFICATION. The School Board shall not be liable to Ringling or to any other person or persons for any damage to property or injury to persons occurring upon the Demised Premises from any cause whatsoever, including, but not limited to, act of God, fire, water, defects in the Demised Premises or otherwise. Ringling shall indemnify and hold the School Board harmless from and against any and all liabilities, claims, demands, damages, expenses, fees, fines, penalties, suits, proceedings, actions and causes of action of any and every kind and nature arising or growing out of or in any way connected with Ringling's use, occupancy, management,

maintenance or control of the Demised Premises or any portion thereof, or arising out of or in any way connected with any act or omission of Ringling, or any of Ringling's invitees, sublessees, licensees, agents or representatives and their respective successors and assigns, or anyone claiming by, through, under or against Ringling, or resulting from any breach, violation or nonperformance of any covenant, condition or agreement herein contained on the part of the Lessee to be kept and performed resulting in loss of life or injury to any person or persons or damage to any property. Ringling shall pay the expense of the School Board's defense of any and all actions, suits or proceedings which may be brought against the School Board, or in which the School Board may be impleaded or joined with others, and shall satisfy, pay and discharge any and all judgments, orders and decrees that may be recovered against Ringling or the School Board in any such action or proceedings.

In the event that legal action is brought against the School Board by a third party and the subject of which is the Demised Premises, the School Board will provide Ringling with timely and adequate notice, and will provide to Ringling any information that is reasonably pertinent to such action.

Nothing contained herein shall be deemed to constitute a waiver of sovereign immunity on the part of the School Board or to affect, limit or reduce the protection afforded the School Board under the provisions of Section 768.28, Florida Statutes, or to protect Ringling from liability for any deliberate willful or malicious act of Ringling.

10. LIABILITY INSURANCE. Ringling shall carry general liability insurance protecting and insuring itself and the School Board from and against any liability, claim, loss, damage or expense arising out of any of the foregoing acts or omissions as set forth in paragraph 9. The liability insurance coverage shall be in amounts not less than \$1,000,000, combined single limit per occurrence and \$3,000,000 aggregate, covering all activities under this Lease. The School Board shall have the right to require Ringling to increase the limits of this insurance every five years if economic conditions so warrant.

11. TAXES. Ringling agrees to assume all responsibility for liabilities that accrue to the Demised Premises or to the improvements thereon, including any and all drainage and special assessments or taxes of every kind and all mechanic's or materialman's liens which may be hereafter lawfully assessed and levied against the Demised Premises during this Lease. Ringling

shall pay all occupational licenses, personal property taxes, rental sales taxes, or other obligations attributable to the operation of Ringling's business on the Demised Premises.

12. FIRE INSURANCE. Ringling shall keep the improvements now or hereafter located on the Demised Premises, together with all fixtures situate therein, insured against loss or damage by fire, water, and windstorm, for 100% of the full replacement value thereof, said insurance to be issued by an insurance company or companies authorized to do business in the State of Florida satisfactory to the School Board. Any proceeds payable from any fire or casualty insurance shall be payable to the School Board and will be made available by the School Board to Ringling for use in reconstructing or repairing the damage sustained to any of the permanent improvements on the Demised Premises should Ringling make the election to rebuild under paragraph 14 below. Copies of all insurance policies required by this Lease shall be furnished annually to the Superintendent of Schools.

13. REMOVAL OF IMPROVEMENTS BY LESSEE. All improvements heretofore or hereafter made to the Demised Premises by Ringling and all fixtures of whatsoever kind and nature as shall be fastened to the Demised Premises by Ringling shall be deemed to become a part of the Demised Premises upon the termination of this Lease and shall not be removed by Ringling without the prior express written consent of the School Board, and such consent will not be unreasonably withheld. Added fixtures that can reasonably be removed from the premises shall remain the property of Ringling. Ringling further agrees that upon the termination of this Lease, either by the expiration of its term or otherwise, Ringling will quit the possession thereof and leave the premises equal at least to the same condition as existing at the commencement of the term of this Lease, reasonable wear and tear excepted.

14. DESTRUCTION OF PREMISES. In the event of the total destruction of the improvements on the Demised Premises by fire or otherwise, or such substantial partial destruction thereof as will cause the entire Demised Premises to be unfit for the aforesaid use, this Lease, at Ringling's sole option, shall terminate and the rights of all parties hereunder shall cease (except such rights and liabilities as may have accrued to the time of such destruction) or Ringling shall have the right to rebuild such improvements and to continue its occupancy and usage of the Demised Premises under the terms of this Lease.

15. ASSIGNMENT AND/OR SUBLEASE. This Lease may not be assigned in whole or in part and no portion of the Demised Premises shall be sublet without the prior written consent of the School Board and any attempted assignment of this Lease or subletting of any of the Demised Premises without such written consent shall be void. The School Board shall be under no obligation to consent to any proposed assignment or sublease. No subsequently approved sublease or assignment shall release Ringling from its obligations and responsibilities under this Lease. Additionally, all subleases or assignments must provide that sublessee or assignee abide by all of Ringling's obligations under this Lease.

16. NO ENCUMBRANCES. Ringling hereby agrees that the interest of the School Board shall not be subject to liens for improvements made by Ringling or any of its assignees or sublessees. Ringling shall keep the Demised Premises and improvements constructed thereon free and clear of all liens, mortgages, claims of lien and encumbrances. Ringling shall maintain the Demised Premises and any improvements thereon free from all orders, notices, and violations filed or entered by any public or quasi-public authorities. No lien arising under Part I of Chapter 713, Florida Statutes, or any statute of similar import, shall extend to the interest of the School Board in the Demised Premises. Ringling shall pay all costs incurred in connection with the construction, alteration, demolition, maintenance, and repair of any and all improvements on the Demised Premises. In connection with construction of improvements, Ringling shall comply with the provisions of Florida Statutes Section 255.05.

17. DEFAULT/TERMINATION. Ringling acknowledges that the conditions, covenants and requirements on its part to be kept as stated herein are material inducements to the School Board entering into this Lease Agreement. Should Ringling fail to perform any of the conditions, covenants and requirements on its part to be kept under this Lease Agreement, then this Lease Agreement may be terminated at the option of the School Board, and any unexpired term hereunder shall be forfeited. In such event, the School Board may take possession of the Demised Premises and improvements and shall have the right to remove all persons therefrom. The foregoing notwithstanding, Ringling shall be given written notice of any default or breach, and termination and forfeiture of the Lease Agreement shall not result if, within ninety (90) days of receipt of such notice,

Ringling has corrected the default or breach, or has taken action to effect such correction within a reasonable time.

The parties recognize that in order to put the Demised Premises to the uses described in paragraph 4 above, Ringling will have to undertake a capital campaign to raise \$14 million and appropriate endowment funds. The parties agree that in the event Ringling does not provide the School Board with proof that it has obtained that sum on or before December 31, 2009 either party will have the right to terminate this Lease Agreement within thirty (30) days of that date. Ringling shall have the right to terminate this Lease Agreement upon one hundred eighty (180) days written notice to the Superintendent of Schools in the event that Ringling determines it needs to discontinue operation of the uses detailed in paragraph 4 above. In the event of any termination under this paragraph, Ringling must assure that any and all subleases or assignments of the Demised Premises must also terminate on the date of the termination of this Lease. All remedies conferred on the School Board in this Lease shall be deemed cumulative and no one exclusive of the other, or of any other remedy conferred by law. In any action brought to enforce the terms and provisions of this lease, the prevailing party shall be entitled to an award of attorneys' fees and costs.

18. WAIVER OF DEFAULT. No waiver of any breach of any of the terms, covenants and conditions hereof shall be taken or construed to be the waiver of any other or succeeding breach of the same or any other term, covenant or condition hereof.

19. CORRECTIONS OF DEFAULTS. If Ringling defaults in any of the terms, covenants and conditions hereof, and fails to correct within the time period set out in paragraph 17 above, the School Board may perform the same or procure the performance thereof without waiving or affecting the option to terminate the term hereof or waiving said default or waiving any rights hereunder, and all payment or payments or expenditures made by the School Board in so doing shall be charged to Ringling, shall become immediately due and payable and shall bear interest at the rate of 12% per annum from the date of disbursement by the School Board until paid by Ringling.

20. IDENTITY OF INTEREST. The execution of this Lease or the performance of any of the terms hereof shall not be deemed or construed to have the effect of creating, between the School Board and Ringling, the relationship of principal and agent or

of a partnership or of a joint venture and the relationship between the parties hereto shall always be and remain that of Lessor and Lessee.

21. ACCESS TO PREMISES BY LESSOR. The School Board or any of the School Board's agents shall have access to the Demised Premises and all parts thereof at all reasonable times and with reasonable notice to Ringling for the purpose of examining same.

22. RESERVATION OF EASEMENT. SCHOOL BOARD owns lands adjacent to the Demised Premises. It is conceivable that with regard to such future development there may be a need for access and use of portions of the Demised Premises for the installation, construction, repair, maintenance, and replacement of lines, pipes, wells, drains, cables, equipment, apparatus, structures, roads, driveways, and other items for utility services of all kinds (including without limitation, water, sewer, gas, drainage, irrigation, fire protection, electricity, telephone, cable television, and trash disposal). The School Board reserves an easement over, across, and under the Demised Premises for the above described purposes. School Board will take all reasonable steps not to permanently diminish Ringling's use of the Demised Property. The School Board's reservation of such easement shall not be construed as placing any obligation on the School Board which is not expressly set forth elsewhere in this Lease. If the use by the School Board of the easement reserved hereunder causes damage to any building, structure, or other improvement on the Demised Premises, such damage shall be repaired by the School Board at its expense. In exercising its rights under this paragraph, the School Board will make a good faith attempt to coordinate with Ringling to ensure such work will not unduly interfere with Ringling's activities on the Demised Premises, and, if practicable, will provide Ringling with not less than sixty (60) days prior notice. Upon receiving notice, Ringling shall make a good faith effort to comply.

23. RINGLING'S ENVIRONMENTAL RESTRICTIONS. Ringling shall not cause or permit to occur:

A. Any violation of governmental regulations related to environmental conditions on, under, or about the Demised Premises, or arising from Ringling's use or occupancy of the Demised Premises, including, but not limited to, soil and ground water conditions; or

B. The use, generation, release, manufacture, refining, production, processing, storage, or disposal of any

Hazardous Substances on, under, or about the Premises, or the transportation to or from the Demised Premises of any Hazardous Substances other than in strict compliance with all governmental laws, rules and regulation. Should any governmental authority demand that a clean-up plan be prepared and that a clean-up be undertaken because of any deposit, spill, discharge, or other release of Hazardous Substances caused by Ringling or Ringling's officers, agents, employees, invitees, assignees, sublessees, or licensees that occurs during the term of this Agreement at, from, or about the Demised Premises, then Ringling shall, at Ringling's own expense, provide, submit, and implement the required plans and all related bonds and other financial assurances. Ringling shall indemnify the School Board against all liability arising from: (1) any deposit, spill, discharge, or other release of Hazardous Substances that occurs during the term of this Agreement at or from the Demised Premises or as a result of Ringling's use or occupancy of the Demised Premises; (2) Ringling's failure to provide all information, make all submissions, and take all steps required by all governmental authorities under Governmental Regulations; or (3) Ringling's failure to comply with its obligations under this paragraph. Ringling's obligations and liabilities under this section shall survive the expiration or termination of this Agreement. Hazardous Substances shall mean flammables, explosives, radioactive materials, asbestos, polychlorinated biphenyls (PCBs), chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, petroleum and petroleum products, and substances declared to be hazardous or toxic under any Governmental Regulations, with the exception of materials that are used by Ringling in the ordinary conduct of an art school or art museum.

24. NET AGREEMENT: Except as otherwise explicitly set forth in this Lease Agreement, Ringling and the School Board agree that this is a net agreement, with Ringling assuming all responsibilities for all maintenance, taxes, insurance, utilities, or other services, expenses, or incidents of ownership of the Demised Premises and the improvements, and that the rent payments are to be absolutely net (sometimes known as triple net) to the School Board. The School Board shall have absolutely no liability or responsibility for such payments or expenses, and makes no warranties with respect to the Demised Premises whatsoever. Any real estate or ad valorem taxes or assessments that become due and payable with regard to the Demised Premises shall be paid by Ringling before delinquency.

25. SURRENDER OF PREMISES: At the expiration or termination of the Lease Agreement, Ringling shall quit and surrender the Demised Premises hereby leased in as good a state and condition as they were in at the commencement of this Lease Agreement, reasonable use and wear thereof excepted.

26. HOLDOVER BY TENANT: Should Ringling remain in possession of the Demised Premises with the consent of the School Board after the natural expiration of this Lease Agreement and any renewal thereof, a new tenancy from month-to-month shall be created between Ringling and the School Board which shall be subject to all the terms and conditions hereof, but shall be terminable on thirty (30) days written notice served by either Ringling or the School Board on the other party.

27. NOTICES. Any notice given or required to be given in connection with this Lease shall be mailed postage prepaid to the School Board at 1960 Landings Boulevard, Sarasota, Florida 34231, attention: Superintendent, and to Ringling at 2700 North Tamiami Trail, Sarasota, Florida 34234, attention: President, or to such other address as either party may hereafter direct in writing.

28. BINDING EFFECT. This Lease Agreement shall be binding upon the respective successors of the parties hereto.

29. ZONING AND OTHER REGULATORY APPROVALS. If a rezoning, conditional use permit, or any other governmental approval regarding the property is required in order to permit Ringling to use the Demised Premises for its intended purposes, Ringling shall be permitted to seek the appropriate relief related to its use of the property. The work necessary to accomplish the appropriate land use designation for the Demised Premises will be done by Ringling, at its cost, and the School Board will cooperate in executing any necessary papers required by the governmental entities in this regard.

30. PARAGRAPH TITLES. Paragraph titles used herein are solely for convenience and are not to be used in interpreting particular provisions hereof.

31. MISCELLANEOUS PROVISIONS AND DEFINITIONS. All of the terms and provisions hereof shall be binding upon and the benefits inure to the parties hereto and their respective successors, sublessees and assigns. Whenever used herein, the singular number shall include the plural, the plural the

singular and the use of any gender shall include all genders. This Lease Agreement and all instruments or documents relating to same and all references herein shall be construed under Florida law.

32. RADON NOTIFICATION. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding Radon and Radon testing may be obtained from your County Public Health Unit. This Article is provided pursuant to Section 404.056(8), Florida Statutes.

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be executed by their respective undersigned officials as of the date hereinabove set forth.

THE SCHOOL BOARD OF SARASOTA
COUNTY, FLORIDA

BY: _____
Chairman

Approved for Legal Content
July 9, 2008, by Matthews, Eastmoore,
Hardy, Crauwels & Garcia, Attorneys for
The School Board of Sarasota County, Florida
Signed: ASH

RINGLING COLLEGE OF ART AND DESIGN

BY: _____
_____(Print Name)

Its _____