

CITY OF POMPANO BEACH
Broward County, Florida

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF POMPANO BEACH, FLORIDA, APPROVING AND AUTHORIZING THE PROPER CITY OFFICIALS TO EXECUTE A LEASE AGREEMENT BETWEEN THE CITY OF POMPANO BEACH AND THE SAMPLE-McDOUGALD HOUSE PRESERVATION SOCIETY, INC.; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to law, ten (10) days' notice has been given by publication in a paper of general circulation in the City, notifying the public of this proposed ordinance and of a public hearing in the City Commission Chambers of the City of Pompano Beach; and

WHEREAS, a public hearing before the City Commission was held pursuant to the published notice described above, at which hearing the parties in interest and all other citizens so desiring had an opportunity to be and were, in fact, heard; now, therefore,

BE IT ENACTED BY THE CITY OF POMPANO BEACH, FLORIDA:

SECTION 1: That a Lease Agreement between the City of Pompano Beach and Sample-McDougald House Preservation Society, Inc., a copy of which Agreement is attached hereto and incorporated herein by reference as if set forth in full, is hereby approved.

SECTION 2: That the proper City officials are hereby authorized to execute said Lease Agreement.

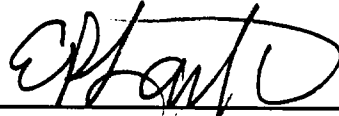
SECTION 3: If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of

this Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable.

SECTION 4: This Ordinance shall become effective upon passage.

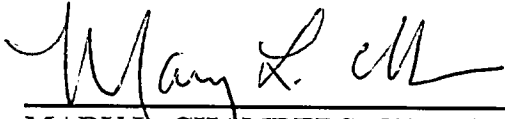
PASSED FIRST READING this 9th day of November, 1999.

PASSED SECOND READING this 23rd day of November, 1999.



E. PAT LARKINS, MAYOR

ATTEST:



MARY L. CHAMBERS, CITY CLERK

:amd
10/11/99
L:ord\2000-31a

LEASE AGREEMENT

between

CITY OF POMPANO BEACH

and

SAMPLE-McDOUGALD HOUSE PRESERVATION SOCIETY, INC.

THIS AGREEMENT made and entered into this 23rd day of November,
1999, by and between:

CITY OF POMPANO BEACH, a municipal corporation of the
State of Florida, whose address is 100 West Atlantic Boulevard,
Pompano Beach, Florida 33060, hereinafter referred to as "CITY",

and

**SAMPLE-McDOUGALD HOUSE PRESERVATION
SOCIETY, INC.**, a corporation organized under the laws of the
State of Florida and having a principal address of P.O. Box 1599,
Pompano Beach, Florida 33061, hereinafter referred to as
"LESSEE".

WITNESSETH:

CITY and LESSEE, for and in consideration of the rents, covenants and mutual
agreements hereinafter contained covenant and agree as follows:

1. **LETTING.**

A. CITY hereby lets to LESSEE and LESSEE hereby hires and takes from CITY, at the Pompano Beach Air Park, sometimes hereinafter referred to as the "Air Park", in the County of Broward and State of Florida, the following described premises:

See Exhibit "1" attached hereto and made a part hereof.

B. LESSEE agrees to operate the premises leased for the use and benefit of the public; to make available all of its facilities and services to the public, without unjust discrimination; and to refrain from imposing or levying excessive, discriminatory or otherwise unreasonable charges or fees for any service. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 21 of the Federal Department of Transportation Regulations.

C. CITY preserves the right to take any action it considers necessary to protect the aerial approaches of the Air Park against obstruction, together with the right to prevent LESSEE from erecting or permitting to be erected any building or other structure on the Air Park which, in the opinion of CITY, would limit the usefulness of the Air Park or constitute a hazard to aircraft.

D. This Lease shall be subordinate to the provisions of any existing or future amendment between CITY and the UNITED STATES relative to the operation or maintenance of the airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the airport except to the extent required for the performance of any of the obligations of LESSEE hereunder. Nothing contained in this Agreement shall grant to LESSEE any rights whatsoever in the air space above the premises

other than those rights which are subject to Federal Aviation Agency orders, regulations or advisory circulars currently or subsequently effective.

E. CITY reserves the right to further develop or improve the landing/parking area or facilities of the airport as it sees fit regardless of the desires or view of LESSEE and without interference or hindrance.

F. LESSEE hereby represents and warrants unto CITY that it is a corporation authorized to transact business within the State of Florida. LESSEE further represents and warrants that it has or will obtain adequate financial resources and has the business skill and ability to perform all obligations herein imposed upon LESSEE diligently, skillfully and successfully to operate the leased premises for the purposes intended.

2. RIGHTS AND USES OF LESSEE.

The demised premises shall not be used for any purposes except for the placement and operation of the Sample-McDougald House.

3. UNAUTHORIZED CONSTRUCTION.

LESSEE agrees to install upon the demised premises the Sample-McDougald House. Plans for the placement and related construction shall be submitted to the Air Park Manager of the City within one hundred eighty (180) days following the date of this Lease Agreement. The total cost of the aforesaid improvements shall not be less than \$495,000. At least fifty (50%) percent of said dollar amount of said improvements shall be expended no later than the second anniversary date of this Lease, with the remainder of the dollar amount of said improvements, if any, to be expended no later than the fourth anniversary date of this Lease. In the event that all said sums have not been expended by said dates, CITY may elect to terminate the Lease, in

which event this lease shall be of no further force or effect whatsoever and any and all improvements and equipment placed upon the premises by LESSEE prior to the date of such termination shall be forfeited to CITY. In addition, if fifty (50%) percent of the dollar amount of said improvements has not been expended by the second anniversary date of this Lease, CITY may retain as liquidated damages the deposit which is to be held in escrow by CITY as set forth in paragraph 5 hereof. If LESSEE is delayed at any time in the construction or placement of the improvements due to any cause beyond LESSEE's control or by delay authorized by CITY, CITY may, for good cause shown, extend the times established herein. Failure of the LESSEE to establish to the satisfaction of CITY that the aforesaid sums have been expended, or failure to comply with any term, condition or covenant of this paragraph 3 shall constitute a major breach of this Agreement entitling CITY to all remedies occasioned by default.

All construction shall be subject to the approval of CITY as to design, use and type of construction and must meet all of the requirements of the applicable Building Code. Plans and specifications shall be submitted to the Air Park Manager of CITY, whereupon the plans and specifications shall be considered by an advisory board of CITY which shall make a recommendation to the City Commission regarding the proposed construction. The City Commission shall approve or disapprove, in writing, the proposed construction within thirty (30) days of receipt of the Air Park Advisory Board recommendation, exclusive of any time during which the City Commission may be on vacation. Upon approval by the City Commission, the plans and specifications shall be processed in accordance with established CITY procedures for the issuance of building permits. Any approval of such construction by CITY shall be upon such terms and conditions as CITY may deem appropriate.

CITY may, at CITY'S sole discretion, authorize future construction by LESSEE of such structures and facilities upon the leased premises as CITY may, in its sole discretion, deem to be in the public interest. In the event any construction not specifically authorized herein, is done by LESSEE without the approval of CITY, CITY may require LESSEE, at CITY's option, to remove the same or cause the same to be changed to conform with the original design and type of construction. In the event LESSEE fails to commence removal or change within forty-five (45) days from written notice by CITY, CITY may effect removal or change and the cost thereof shall be borne by and be the responsibility of LESSEE. Any future construction authorized by CITY, shall be commenced and pursued to completion in a prompt and workmanlike manner and such completion shall be achieved within a reasonable period of time.

Prior to undertaking any construction, LESSEE shall furnish performance bonds and payment bonds satisfactory to CITY or LESSEE shall provide for an adequate construction account, supervised by a bank or savings and loan association with sufficient funds on deposit to be disbursed in accordance with a procedure to be established with the bank or savings and loan association so as to adequately satisfy CITY that the improvements will be completed and fully paid for free of liens. If such a construction account is established, the bank or savings and loan association shall furnish to CITY at the end of the second and fourth years of this Lease, a certified statement attesting to the amounts expended from said construction account.

LESSEE agrees to hold CITY harmless from any claim of lien by any contractor, subcontractor, materialman or other person or firm or corporation whatsoever and LESSEE further agrees to hold CITY harmless and to reimburse CITY for all costs including cost of defense, attorneys' fees and other expenses in connection with any claim of whatsoever kind,

whenever the same may be presented, arising out of any construction whatever in connection with this Lease Agreement.

4. **TERM.**

The term of the letting under this Lease Agreement shall be thirty (30) years commencing on the date of execution hereof, unless cancelled sooner.

5. **DEPOSIT.**

Under the execution of this Lease Agreement, LESSEE shall pay to CITY the sum of One Thousand (\$1,000.00) Dollars which shall be held by CITY in escrow until twenty-four (24) months have passed from the date of the execution of this Lease, after which said deposit shall be applied to the rents due hereunder.

6. **RENTAL.**

The rental for the premises shall be ten (\$10.00) dollars per year, plus any applicable tax. The annual rental installments shall be payable in advance on the first day of the first month and every calendar year thereafter until the termination of the letting.

7. **OBLIGATIONS OF LESSEE.**

A. LESSEE covenants and agrees to observe and obey and to require its officers, employees, guests, invitees and those doing business with it, to observe and obey such reasonable and non-discriminatory rules and regulations of CITY for the government of the conduct and operations of LESSEE and others on the premises as may from time to time during the letting be promulgated by CITY for reasons of safety, health or sanitation and good order. The obligations of LESSEE to require such observance and obedience on the part of its guests, invitees and business visitors shall pertain only while such persons are on the premises.

B. LESSEE shall conduct its operation hereunder in an orderly and proper manner, considering the nature of such operations so as not to unreasonably annoy, disturb, endanger or be offensive to others at the Air Park. In addition, LESSEE must operate for the use and benefit of, and service to the public without imposing excessive or unjust or abnormal requirements on customers, guest and invitees.

C. CITY agrees that the removal of LESSEE's garbage, trash and industrial waste shall be governed by the applicable provisions set forth by CITY as the same pertains to any other user and LESSEE agrees to comply with the same.

D. LESSEE shall commit no unlawful nuisance, waste or injury on the premises and shall not do or permit to be done anything which may result in the creation or commission or maintenance of such nuisance, waste or injury on the premises.

E. LESSEE shall not do or permit to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, fire protection system, sprinkler system, alarm system, fire hydrants and hoses, if any, installed or located on or in the premises.

F. LESSEE shall not do or permit to be done any act or thing upon the premises:

(1) that will invalidate or conflict with any fire insurance policies covering the premises or any part thereof or contiguous premises at the Air Park; or

(2) that may constitute an extra hazardous condition so as to increase the risks normally attendant upon the operations permitted by this Agreement.

G. LESSEE shall comply with all laws and ordinances and governmental rules, regulations and orders now in force or enacted at any time during the term of the Lease which as a matter of law are applicable to or which affect the operation of LESSEE of the premises hereunder. The obligations of LESSEE to comply with governmental requirements is provided herein for the purpose of assuring proper safeguards for the protection of persons and property on the premises. Such provision is not to be construed as a submission by CITY to application to itself of such requirements or any of them.

H. LESSEE shall, at its own cost, make improvements to the premises and perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over said property in order to comply with sanitary requirements, fire hazard requirements, zoning requirements, setback requirements and other similar requirements designed to protect the public.

8. CARE, MAINTENANCE AND REPAIR BY LESSEE.

A. LESSEE shall throughout the term of this Lease assume the entire responsibility and shall relieve CITY from all responsibility for all repair and maintenance whatsoever on the premises and, without limiting the generality hereof, shall:

(1) keep at all times in a clean and orderly condition and appearance the premises and all LESSEE's fixtures, equipment and personal property which are located in any parts of the premises which is open to or visible by the general public; and

(2) LESSEE shall be responsible for the maintenance and repair of all utilities service lines except common utilities, if any, including, but not limited to, service lines for the supply of water, gas service lines, electrical power and telephone conduits and lines,

sanitary sewers and storm sewers which are now or which may be subsequently located upon the premises leased to LESSEE and used by LESSEE exclusively; and

(3) at all times during the letting, take such appropriate anti-erosion measures with respect to all portions of the premises not paved or built upon.

B. CITY may, at its option, and in addition to any other remedies which may be available to it, repair, replace, rebuild or paint all or any part of the structures and/or premises, and the cost thereof shall be added to the rent due and payable the month following completion of such work by CITY and shall be paid by LESSEE to CITY, if either:

(1) LESSEE fails in any material respect, to maintain, clean, repair, replace, rebuild or paint within a period of sixty (60) days after notice from the CITY to do so, and said notice specifies that the required work to be accomplished by LESSEE includes maintenance and/or repair other than preventive maintenance; or

(2) for work involving preventative maintenance and repair only, if LESSEE fails in any material respect to accomplish that specified work within one hundred eighty (180) days following notice from CITY; or

(3) within one hundred eighty (180) days, LESSEE fails in any material respect to diligently complete the repair, replacement, rebuilding or repainting of all of the premises required to be repaired, replaced, rebuilt or painted by LESSEE under the terms of this Agreement.

9. INSURANCE.

LESSEE shall during the term of this Lease insure and keep insured to the extent of not less than eighty (80%) percent of the actual cash value of all buildings, structures, fixtures and

equipment on the premises leased to LESSEE against such hazards and risks as may now or in the future be included under the Standard Form of Fire and Extended Coverage insurance policy of the State of Florida.

LESSEE covenants and agrees to provide and keep in force and effect comprehensive general public liability and property damage insurance to include independent contractors. Such comprehensive general liability coverage shall not be less than \$1,000,000.00 combined single limit bodily injury and property damage insurance, holding harmless and indemnifying LESSEE and CITY as their interests may appear against public liability and property damage claims, and to furnish CITY at all times with an appropriate certificate from the insurance carrier showing such insurance to be in force.

All policies of such insurance and renewal thereof shall insure CITY and LESSEE as their interests may appear.

The aforesaid insurance shall be written by companies authorized to do business in the State of Florida and listed in "Best's Insurance Guide", or a comparable publication in the event of the discontinuance of publishing "Best's", said insurance company having a minimum rating in "Best's" of A+ 3A.

The policies or certificates representing said insurance shall be delivered by LESSEE to CITY and each policy or certificate delivered shall bear the endorsement of or be accomplished by evidence of payment of the premium thereon and also an endorsement obligating the insurance company to furnish CITY sixty (60) days' notice in advance of the cancellation of the insurance evidenced by said policy or certificate. Renewal policies or certificates shall be

delivered to CITY at least sixty (60) days before the expiration of the insurance which such policies are to renew.

When such policies or certificates have been delivered by LESSEE to CITY as aforesaid and at any time or times thereafter, CITY may notify LESSEE in writing that the insurance represented thereby does not conform to the provisions of this paragraph either because of the amount or because of the insurance company or for any other reason and LESSEE shall have thirty (30) days in which to cure the defect. Failure to cure such defect within thirty (30) days shall constitute a breach of this Agreement by this LESSEE, entitling CITY to all remedies occasioned by default.

LESSEE or his agent further agree to hold harmless and indemnify the CITY OF POMPANO BEACH from any claims resulting from LESSEE's or his agent's negligence on or about the leased premises and any operations in connection herewith.

All contracts entered into by LESSEE shall be subject to review by the CITY OF POMPANO BEACH in order to determine that CITY shall incur no liability not adequately covered by insurance and all contracts pursuant to this paragraph shall be submitted to CITY prior to being entered into by LESSEE.

10. DAMAGE TO OR DESTRUCTION OF PREMISES.

A. Removal of Debris. If the premises or any part thereof shall be damaged by fire, the elements, the public enemy, riot, or other casualty, LESSEE shall promptly remove all debris resulting from such damage from the premises and to the extent, if any, that the removal of debris under such circumstance is covered by insurance, the proceeds thereof shall be made available to LESSEE for such purpose.

B. Minor Damage. If the premises, or any part thereof, shall be damaged by fire, the elements, the public enemy, riot or other casualty but not rendered untenable or unusable, the premises shall be repaired with due diligence in accordance with the plans and specifications for the premises as they existed prior to such damage, but with current Code requirements being met, by and at the expense of LESSEE and, if the damage is covered by insurance, the proceeds thereof shall be made available to LESSEE for that purpose.

C. Major Damage to or Destruction of the Premises. If the premises or any part thereof, shall be destroyed or so damaged by fire, the elements, the public enemy, riot or other casualty and thereby rendered temporarily untenable or unusable, then:

(1) LESSEE shall have an option to make the necessary repairs or replacements for the restoration thereof in accordance with the plans and specifications as the same existed prior to such damage or destruction, provided that LESSEE within forty-five (45) days after the occurrence of such damage or destruction notifies CITY in writing that it elects to exercise its option to make the necessary repairs or replacements. If LESSEE elects to make such repairs or replacements it shall do so with reasonable dispatch provided, however, LESSEE shall not be responsible for delays caused by the insurance company or an act of God. If such destruction or damage was covered by insurance, the proceeds thereof shall be adjusted with and paid to LESSEE.

(2) If LESSEE fails to notify CITY in writing of its intention to make the necessary repairs or replacements within the forty-five (45) day period provided in subparagraph (1) of this subdivision C, or if within the said forty-five (45) day period LESSEE notifies CITY in writing that it does not elect to make such repairs or replacements, then CITY

may at its election make such repairs or replacements provided that CITY notifies LESSEE of its election to do so within thirty (30) days following the expiration of the said forty-five (45) day period. If CITY elects to make such repairs or replacements, it shall do so with reasonable dispatch and without cost to LESSEE, except that if such destruction or damage was covered by insurance, the proceeds thereof shall be adjusted with and paid to CITY.

(3) In the event that neither of the two parties elects to make such repairs or replacements, then this Lease shall terminate either at the expiration of seventy-five (75) days from the occurrence of such destruction or damage or at the expiration of thirty (30) days following receipt of notice by CITY from LESSEE that the LESSEE does not elect to repair or replace such damage, whichever date occurs sooner; and in any such event, the proceeds of insurance applicable to the damage or destruction (other than the proceeds applicable to debris removal) shall be distributed between LESSEE and CITY as their interests may appear. In such event, the payment of rentals shall terminate as of the date of the damage or destruction.

11. INDEMNITY.

LESSEE shall indemnify and hold harmless CITY, its Commissioners, officers, employees and representatives, from and against all claims and demands of third persons, except in cases of gross and willful misconduct including, but not limited to, the execution of this Lease, claims and demands for death or personal injuries or for property damages arising out of the use or occupancy of the premises by LESSEE or with its consent or out of any acts or omissions of others upon the premises with the consent of LESSEE, or arising or resulting from any breach or default by LESSEE or any of the obligations or duties assumed by or imposed upon it under this Lease, including provisions within the Deeds from which CITY derives its rights in the Air Park,

said Deeds being recorded in Deed Book 602, Page 458, Deed Book 614, Page 134, and Deed Book 633, Page 422, all Broward County Public Records, or indemnification arising by operation of law.

Further, LESSEE shall pay all costs incurred and reasonable attorneys' fees incurred by CITY in the event of a necessity to defend any claim, lawsuit or cause of action whatever against CITY arising out of the LESSEE's execution of this Lease, be the same with or without merit. It is further understood that the above indemnification agreement extends to the act of invitees, licensees and trespassers upon the premises leased, and LESSEE's obligations to indemnify CITY shall be cumulative with the obligations of any assignee of LESSEE, absent a specific agreement to the contrary with CITY at the time of such assignment.

Any sums due CITY under this paragraph 11 shall constitute a lien against the interest of LESSEE in the leased premises and all of its property situated thereon to the same extent and on the same conditions as any lien arising under paragraph 19 hereof.

12. SIGNS.

Except with the prior written approval of CITY, LESSEE shall not erect, maintain or display any signs, flags or any advertising at or on the exterior parts of the premises or in the premises so as to be visible from outside the premises.

13. OBSTRUCTION LIGHTS.

LESSEE shall install, maintain and operate at its own expense with obstruction lights on the premises as the Federal Aviation Agency may direct or as the City Manager may reasonably direct and shall energize such lights daily at sunset and for such other period as may be directed or requested by CITY.

14. ADDITIONAL RENT AND CHARGES.

If CITY is required or elects to pay any sum or sums or incurs any obligations or expenses by reason of the failure, neglect or refusal of LESSEE to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement or as a result of any act or omission of LESSEE contrary to said conditions, covenants and agreements, LESSEE agrees to pay the sum or sums so paid or the expense so incurred, including all interest, costs, damages and penalties, and the same may be added to any installment of rent thereafter due hereunder and each and every part of the same shall be and become additional rent recoverable by CITY in the same amount and with like remedies as if it were originally a part of the rent as set forth in paragraph 6 hereof.

15. RIGHTS OF ENTRY RESERVED.

A. CITY, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times, and with reasonable prior notice, to enter upon the premises for the purpose of inspecting the same, for observing the performance by LESSEE of its obligations under this Agreement and for doing any act or thing which CITY may be obligated or have the right to do under this Agreement or otherwise as long as said inspection or visit does not interfere with the normal business of LESSEE.

B. Without limiting the generality of the foregoing, CITY, by its officers, employees, agents, representatives, contractors, and furnishers of utilities and other services, shall have the right, at its own cost and expense, for its own benefit or for the benefit of others than LESSEE at the Air Park, to maintain existing and future utilities, mechanical, electrical and other systems and to enter upon the premises at all reasonable times to make such repairs,

replacements or alterations thereto as may, in the opinion of CITY, be deemed necessary or advisable and from time to time to construct or install over, in or under the premises such systems or parts thereof and in connection with such maintenance to use the premises for access to other parts of the Air Park otherwise not conveniently accessible provided, however, that in the exercise of such rights of access, repair, alteration or new construction CITY shall not unreasonably interfere with the actual use and occupancy of the premises by LESSEE.

C. In the event that any personal property of LESSEE shall obstruct the access of CITY, or its officers, employees, agents or contractors, to any of the existing or future utility, mechanical, electrical and other systems and thus shall interfere with the inspection, maintenance or repair of any such system, LESSEE shall move such property, as directed by CITY, in order that access may be had to the system or part thereof for its inspection, maintenance or repair, and if LESSEE shall fail to do so, CITY may move it and LESSEE hereby agrees to pay the cost of such moving upon demand.

D. At any time and from time to time during reasonable business hours within the six (6) months next preceding the expiration of the letting or immediately upon the determination by CITY of an abandonment or a breach of the Lease by LESSEE, CITY by its agents and employees, whether or not accompanied by a prospective lessee, occupier or user of the premises, shall have the right to enter thereon, after reasonable notice, for the purpose of exhibiting and viewing all parts of the same and during such six (6) month period, CITY may place and maintain on the premises the usual "to Let" signs, which signs LESSEE shall permit to remain without molestation. CITY shall not interfere with the normal business of LESSEE when entering onto property pursuant to this subsection.

E. If, during the last month of the letting, LESSEE shall have removed all or substantially all of its property from the premises, CITY may immediately enter and alter, renovate and redecorate the premises.

F. The exercise of any or all of the foregoing rights by CITY or others shall not be or be construed to be an eviction of LESSEE nor to be made the grounds for any abatement of rental nor any claim or demand for damages, consequential or otherwise.

16. SALE, ASSIGNMENT AND SUBLEASE.

LESSEE shall not sell, convey, assign, transfer or pledge this Lease or any part thereof or any rights created thereby or sublet the premises or any part thereof without the prior written consent of CITY. For purposes of this paragraph, transfer of the control of a LESSEE which is a corporation, partnership or other type of business entity other than an individual shall be considered a transfer of this Lease. However, transfers within the immediate family of the current majority stockholder shall not be an assignment of this Lease even if such transfer involves a majority interest of said stock; provided further, however, that all such transfers shall be presented to CITY for informational purposes. A transfer of control of the business entity shall be deemed to occur when the owner or owners of more than fifteen (15%) percent of the proprietary interest in the business entity transfer, other than between themselves, such proprietary interest to another person, firm, partnership, corporation or business entity, or when the controlling interest of the business entity shall change. It is the intent that CITY know and approve of ownership of the Lease and any sublease tenants. Any lessee or sublessee hereunder who is a corporation, partnership or other type of business entity shall submit to CITY a list of all owners of proprietary interests in the business entity as well as a list of those persons who hold

security interests of whatever kind or nature in the business entity or its personal property. An updated version of such list shall be submitted to the Air Park Manager on each anniversary date of this Lease. A current list of the names and home addresses of all officers and shareholders and all persons who hold security interests of whatever kind or nature in the business entity or personal property of LESSEE, including the amount of shares held by each shareholder, is attached hereto.

17. DEFAULT BY LESSEE.

LESSEE will be considered in default of this Lease if any one or more of the following events shall occur:

A. Bankruptcy or Insolvency. Should LESSEE, at any time during the term of this Lease, suffer or permit an involuntary or voluntary petition in bankruptcy to be filed against it, or should LESSEE, by order or decree of a court be adjudged bankrupt or an order be made approving a petition filed by any of its creditors or stockholders, or should LESSEE or any of its stockholders institute any proceedings seeking a composition, arrangement, reorganization or readjustment of LESSEE's indebtedness under the Federal Bankruptcy Laws or under any other law or statute of the United States or any state thereof, or make any assignments for the benefit of its creditors, or should a receiver or trustee or liquidator be appointed for LESSEE's property because of LESSEE's insolvency, and the said appointment not vacated within thirty (30) days thereafter, or should LESSEE's leasehold interest be levied on and the lien thereof not discharged within thirty (30) days after said levy has been made, or should LESSEE fail promptly to make the necessary returns and reports required of it by state and federal law, or should LESSEE fail promptly to comply with all governmental regulations, both state and federal, and

should such failure in any manner jeopardize the rights of CITY, then and, in such event, and upon the happening of either or any of said events, CITY shall have the right, at its election, to consider the same a default on the part of LESSEE of the terms and provisions hereof and, in the event of such default not being cured by LESSEE within a period of thirty (30) days from the date of the giving by CITY of written notice to LESSEE of the existence of such default, CITY shall have the option of declaring this Lease terminated and the interest of the LESSEE forfeited, or CITY may exercise any other options herein conferred upon it. The pendency of bankruptcy proceedings or arrangement proceedings, to which LESSEE shall be a party shall not preclude CITY from exercising the option herein conferred upon it. In the event LESSEE or the trustees or receiver of LESSEE's property shall seek an injunction against CITY's exercise of the option herein conferred, such action on the part of LESSEE, its trustee or receiver, shall automatically terminate this Lease as of the date of the making of such application. In the event the court shall enjoin CITY from exercising the option herein conferred, such injunction shall automatically terminate the Lease.

B. Other Events Constituting Default.

(1) If LESSEE shall voluntarily abandon, desert or vacate the premises or discontinue its operation at the Air Park; or

(2) If any lien is filed against the premises because of any act or omission of LESSEE and is not removed or secured by bond or otherwise, within thirty (30) days after LESSEE has received notice thereof; or

(3) If LESSEE shall fail duly and punctually to pay the rental or to make any other payment required hereunder when due to CITY and shall continue in its failure to

pay rentals or to make any other payments required hereunder for a period of ten (10) days after receipt of notice by it from CITY to make such payments; or

(4) If LESSEE shall fail to keep, perform and observe each and every other promise, covenant and agreement set forth in this Agreement on its part to be kept, performed or observed within fifteen (15) days after receipt of notice of non-compliance thereunder from CITY except where fulfillment of its obligation requires activity over a period of time and LESSEE shall have commenced to perform whatever may be required for fulfillment within fifteen (15) days after receipt of notice and continues such performances without interruption and except where fulfillment is prevented by causes beyond its control.

(5) Upon the occurrence of any such event or at any time thereafter during the continuance thereof, CITY, by forty-five (45) days' notice, may terminate the rights of LESSEE hereunder and this letting, such termination to be effective upon the date specified in such notice. Such right of termination and the exercise thereof shall be and operate as a conditional limitation.

C. Wasting or Destruction of Property. In the event the activities of LESSEE, which are in derogation of the terms of this Lease, are such as to constitute a material wasting or destruction of the property of CITY or of any individual whose property may be rightfully and properly located at the Air Park then and in that event it shall not be necessary for CITY to suffer the wasting or destruction of said property during the aforesaid periods of notice, but in such event CITY shall give LESSEE three (3) days' notice within which to terminate the aforesaid destruction or waste or terminate any act or practice which shall place the property of CITY or the property of any individual located properly upon the Air Park, in danger of destruction or

waste. If at the expiration of the aforesaid three (3) days from the service of notice upon LESSEE in accordance with the provisions for service of such notice as contained in this Lease Agreement, LESSEE has not terminated such waste of CITY's property and plant, or the waste of any individual's property which may be properly located upon the Air Park as aforesaid, then and, in that event, CITY shall have the right to enter upon the premises forthwith, and LESSEE shall remove himself from the premises forthwith and this Lease shall be deemed canceled and terminated as of the expiration of the aforesaid three (3) days.

D. No acceptance by CITY of rental, fees, charges or other payments in whole or in part for any period or periods after a default of any of the terms, covenants and conditions hereof to be performed, kept or observed by LESSEE shall be deemed a waiver of any right on the part of CITY to terminate the letting.

E. No waiver by CITY of any default on the part of LESSEE in performance of any of the terms, covenants or conditions hereof to be performed, kept or observed by LESSEE shall be or be construed to be a waiver by CITY of any other or subsequent default in performance of any of the said terms, covenants and conditions.

F. The rights of declaration of default described above shall be in addition to any other rights of termination provided in this Agreement and in addition to any rights and remedies that CITY would have at law or in equity consequent upon any breach of this Agreement by LESSEE and the exercise by CITY of any right of termination shall be without prejudice to any other such rights and remedies.

18. REMEDIES TO BE NON-EXCLUSIVE.

All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to CITY or LESSEE at law or in equity and the exercise of any remedy or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

19. LIEN UPON REVENUES, INCOME, ETC.

In the event of LESSEE's breach of any of the provisions of this Lease, CITY shall thereupon have a lien upon all revenues, income, rents, earnings and profits from the leased premises as additional security for LESSEE's faithful performance of each of the terms and provisions hereof, and to secure payment of all sums owing to CITY hereunder. Such liens shall be superior in dignity to the rights of LESSEE and any of its creditors or assignees or any trustee or receiver appointed for LESSEE's property, or any other person claiming under LESSEE. Upon CITY's termination of LESSEE's rights under this Lease by reason of LESSEE's default, all such revenues, income, rents, earnings and profits derived or accruing from the leased premises from the date of such termination by CITY shall constitute the property of CITY and the same is hereby declared to be a trust fund for the exclusive benefit of CITY and shall not constitute any asset of LESSEE or any trustee or receiver appointed for LESSEE's property. The provisions of this paragraph shall be effective without CITY's re-entry upon the leased premises or repossession thereof and without any judicial determination that LESSEE's interest under said Lease has been terminated.

20. SURRENDER.

LESSEE covenants and agrees to yield and deliver peaceably to CITY on the date of cessation of the letting, whether such cessation be by termination, expiration or otherwise, possession of the leased premises and all buildings, structures, pavements, facilities and permanent improvements located on the premises free of all encumbrances, in a good state of repair and in good and usable condition, subject to reasonable wear and tear.

Personal property and furnishings belong to LESSEE shall be removed from the leased premises within thirty (30) days from the date of termination of the Lease, where termination is due to a breach of any condition imposed upon LESSEE under the terms of the Lease or whether by natural termination due to the lapse of time, it being specifically understood that CITY shall look to the buildings constructed on the leased premises as its sole security for this Lease and not any personal property belonging to LESSEE which may be located on the leased premises. It is further understood that LESSEE shall have no right to remove any property, the removal of which will leave the building structurally defective and LESSEE shall be further prohibited from removing any plumbing fixtures, lighting fixtures or other items incorporated into the structure of the building.

21. REMOVAL OF LESSEE'S PROPERTY BY CITY.

If, under the terms of this Lease, LESSEE is entitled to remove its property from the premises, but shall fail to do so on or before the termination or expiration of the letting, or after the time for removal as provided in paragraph 20 hereof, CITY may remove such property to a public warehouse for deposit or retain the same in its own possession and sell the same at public auction, the proceeds of which shall be applied first to the expenses of removal, storage and sale;

second, to any sum owed by LESSEE to CITY, with any balance remaining to be paid to LESSEE. If the expense of such removal, storage and sale shall exceed the proceeds of the sale, LESSEE shall pay such excess to CITY upon demand.

22. NOTICES.

Except where expressly required or permitted herein to be oral, all notices, requests, consents and approvals required to be given to or by either party shall be in writing and all such notices and requests shall be personally delivered to the duly designated officer or representative of such party or delivered to the office of such officer or representative during regular business hours or forwarded to him or to the party at such address by certified or registered mail. LESSEE shall from time to time designate, in writing, an office within Broward County, Florida, an officer or representative whose regular place of business is at such office, upon whom notices and requests may be served. CITY designates the City Manager and, until further notice, LESSEE designates its President as its officer upon whom notices and requests may be served, and CITY designates its office at City Hall, 100 West Atlantic Boulevard, Pompano Beach, Florida 33060, as their respective offices where notices and requests may be served. The notices herein required to be served shall be deemed effective and served as of the date of the registered or certified mailing thereof.

23. PLACE OF PAYMENTS.

All payments received from LESSEE by this Agreement shall be made at the office of CITY, at City Hall, 100 West Atlantic Boulevard, Pompano Beach, Florida 33060.

24. CONSTRUCTION AND APPLICATION OF TERMS.

The paragraph and subparagraph headings, if any, in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of the provision hereof.

25. DEFINITIONS.

The following terms, when used in this Agreement, shall, unless the context shall require otherwise, have the respective meanings given below:

A. Air Park shall mean the land and premises in the City of Pompano Beach, County of Broward, State of Florida, described in those certain deeds recorded in Deed Book 602, Page 458, Deed Book 614, Page 134 and Deed Book 633, Page 422, Public Records of Broward County, Florida.

B. Agreement shall mean this Agreement of Lease.

C. Lease shall mean this Agreement of Lease including any supplements, modifications or amendments thereof, as long as said supplement, modification or amendments specifically identify this Lease and are executed with the same formality.

D. Letting shall mean the letting under this Agreement for the original term stated herein.

E. Premises shall mean and include the land, buildings, structures and other improvements located or to be located or to be constructed therein or thereon, the equipment permanently affixed or permanently located therein, such as electrical, plumbing, sprinkler fire protection and fire alarm, heating, steam, sewage, drainage, refrigerating, communications, gas

and other systems and their pipes, mains, lines, tubes, conduits, equipment and fixtures and all paving, drains, culverts, ditches and catch basins.

26. OBLIGATION OF LESSEE TO PAY CERTAIN TAXES AND EXPENSES.

LESSEE shall be responsible to pay all real and personal property taxes, tangible or intangible taxes, assessments, utilities, insurance premiums, occupational license, maintenance and other similar expenses.

27. OPERATING COSTS.

LESSEE agrees to promptly pay when due all operating, maintenance and servicing charges and costs including telephone, gas, electricity, water, water connections, sewer, sewer connections and all other expenses incurred in the use and operation of the leased premises.

28. PERMITS, APPROVALS AND FEES.

It is understood and agreed that any construction on the demised premises shall be accomplished in accordance with the applicable rules, regulations, resolutions and ordinances of the City, County, State and Federal governments, and that LESSEE shall be responsible for obtaining all necessary plat approvals, zoning and building permits, and any other approvals or permits which may be required, and shall pay all charges therefor, whether such charges become payable prior to or subsequent to the issuance of the approval or permit. It is specifically understood and agreed that LESSEE shall have sole responsibility for any platting of the demised premises which may be required by CITY and Broward County and for the payment of all fees and charges in connection therewith including, but not limited to, engineering, surveying and drafting charges, application, processing and recording fees, impact fees and off-site road improvement fees.

29. FIRE HYDRANTS.

It is agreed that CITY shall provide adequate fire hydrants within a reasonable distance from any building being constructed by LESSEE to meet the minimum fire insurance requirements and safety requirements. Any such hydrant that may be required by the provisions hereof, as determined by the location of the buildings in the plans and specifications to be submitted by LESSEE, shall be installed by CITY prior to the completion of the construction of the buildings delineated in said plans.

30. CANCELLATION OF LEASE.

CITY shall have the right to cancel this Lease for convenience when by action of the CITY'S City Commission it is determined to be in the CITY'S best interest to do so. In the event the Lease is cancelled by CITY, LESSEE shall be given not less than twenty-four (24) months notice of the CITY'S action to terminate the lease.

If, however, CITY elects to cancel the Lease with less than twenty-four (24) months notice given, LESSEE shall be paid a sum equal to the average monthly gross receipts of LESSEE'S business over the immediately preceding three (3) year period, less the average of the renewal operating expenses of LESSEE for the preceding three (3) years, and this sum shall be multiplied by a number, determined by subtracting from twenty-four (24), the actual number of months of notice provided LESSEE.

In the event the Air Park is taken over through condemnation or any other proceeding by a governmental body having the power and authority to do so, other than CITY, this Lease shall become null and void and the term and granted shall cease and determine upon the taking of possession of the demised premises from LESSEE, and the rights and interests of CITY and

LESSEE in the award of just compensation which shall be made therefor shall be governed by the law applicable in such cases. CITY shall not be liable to LESSEE for any damages attributable to such taking.

31. NON-DISCRIMINATION.

LESSEE, in exercising any of the rights or privileges herein granted to it shall not on the grounds of race, color or national origin discriminate against any person or persons in any manner prohibited by Part 21 of the Federal Department of Transportation Regulations. CITY is hereby granted the right to take such action, anything to the contrary herein notwithstanding, as the United States may direct to enforce this nondiscrimination covenant.

32. ENTIRE AGREEMENT.

This Agreement consists of the following: Paragraphs 1 through 31 inclusive, and Exhibits "1" and "2".

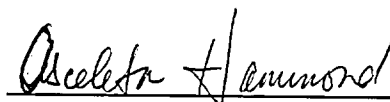
It constitutes the entire agreement of the parties on the subject matter hereof and many not be changed, modified, discharged or extended except by written instrument duly executed by CITY and LESSEE. LESSEE agrees that no representatives or warranties shall be binding upon CITY unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties have hereto have executed these presents as of the day and year first above written.

"CITY":

Witnesses:

CITY OF POMPANO BEACH



By: 

E. PAT LARKINS, MAYOR

Shelby R. Bartholomew

By: C. William Hargett, Jr.
C. WILLIAM HARGETT, JR.
CITY MANAGER

Attest:

Mary L. Chambers
MARY L. CHAMBERS, CITY CLERK

(SEAL)

Approved by:

Gordon B. Linn
GORDON B. LINN, CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD

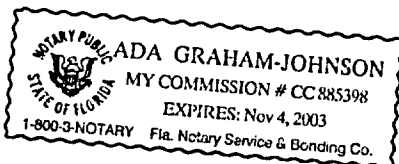
The foregoing instrument was acknowledged before me this 13th day of December, 1999 by E. PAT LARKINS, as Mayor of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:

Ada Graham-Johnson
NOTARY PUBLIC, STATE OF FLORIDA

Ada Graham-Johnson

(Name of Acknowledger Typed, Printed or Stamped)



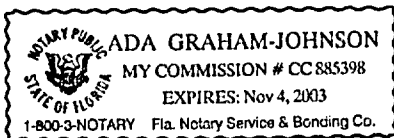
Commission Number

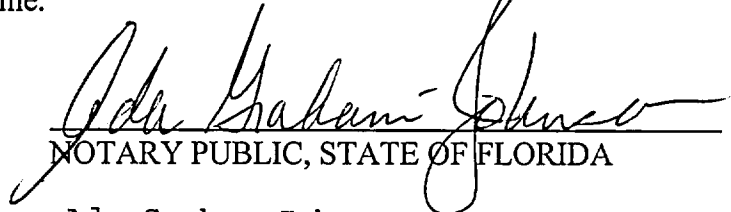
STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 13th day of December, 1999 by C. WILLIAM HARGETT, JR. as City Manager of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:




NOTARY PUBLIC, STATE OF FLORIDA

Ada Graham-Johnson

(Name of Acknowledger Typed, Printed or Stamped)

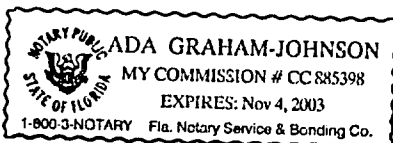
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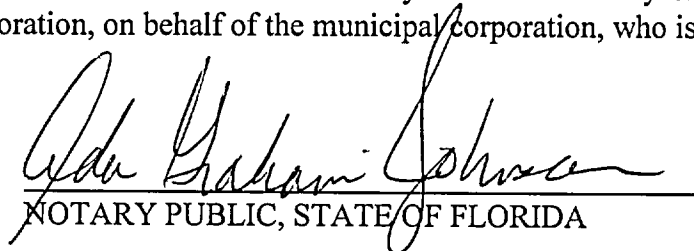
STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 13th day of December, 1999 by MARY L. CHAMBERS as City Clerk of the City of Pompano Beach, Florida, a municipal corporation, on behalf of the municipal corporation, who is personally known to me.

NOTARY'S SEAL:




NOTARY PUBLIC, STATE OF FLORIDA

Ada Graham-Johnson

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

"LESSEE":

Witnesses:

SAMPLE-McDOUGALD HOUSE
PRESERVATION SOCIETY, INC.

Margaret White

By:

Signature

Rebecca L. Maddox

Rebecca L. Maddox

Typed, Stamped or Printed Name

President

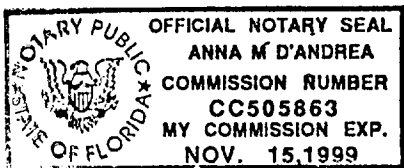
Title

STATE OF Florida

COUNTY OF Broward

The foregoing instrument was acknowledged before me this 11th day of October, 1999 by Rebecca L. Maddox as President of SAMPLE-McDOUGALD HOUSE PRESERVATION SOCIETY, INC. on behalf of the corporation. He/She is personally known to me or who has produced Florida driver's license #M320-732-63-832-1 (type of identification) as identification.

NOTARY'S SEAL:



Anna M. D'Andrea
NOTARY PUBLIC, STATE OF Florida

ANNA M. D'ANDREA
(Name of Acknowledger Typed, Printed or Stamped)

CC505863
Commission Number

GBL:amd
9/7/99
l:agr/99-2552a

Lease Agreement between the City of Pompano Beach and Sample-McDougald House Preservation Society, Inc.

POMERO BEACH

18" RAW WATER LINE CROSSES UNDER HIGH PRESSURE LINE.

N. E. 10th ST. (FRNP-8088)

18" RAW WATER LINE WEST SIDE OF HIGH PRESSURE LINE. AIR PARK

WELL HOUSE NO. 2

16" RAW WATER LINE

AIR PARK BOUNDARY LINE

N. E. 8th COURT

66.13'	60'	"	"	"	60'	115'	50'	65'
820	2	3	4	5	6	7	8	16
301	303	305	307	309	311	313	315	317
66.11'	60'	"	"	60'	87.25'	130.20'	96.39'	60'
50'	50'	50'	50'	50'	50'	50'	50'	50'
66.10'	66'	64'	"	64'	64'	72'	87.11'	60'
300	302	304	306	308	310	312	314	316
66.08'	66'	64'	64'	64'	72'	87.11'	96.39'	60'
66.08'	66'	64'	64'	64'	72'	87.11'	96.39'	60'
84.84'	84.74'	84.64'	84.54'	84.44'	84.34'	84.24'	84.14'	84.04'
301	303	305	307	309	311	313	315	317
66.07'	66'	64'	64'	64'	72'	87.11'	96.39'	60'

N. E. 4 AVE.

N. E. 5th AVE.

16" RAW WATER LINE

E 1/4 COR. SEC. 35-48-42

3

2

1

3

POMERO BEACH



Phone: (954) 786-4061

City of Pompano Beach
Utilities Department

Fax: (954) 786-4028

MEMORANDUM NO. 99-171A

May 18, 1999

East 390 feet of Old Nursery Property on 10th St.

LEGAL DESCRIPTION

THE NORTHEAST ONE-QUARTER (N.E. 1/4) OF THE SOUTHEAST ONE-QUARTER (S.E. 1/4) OF THE SOUTHEAST ONE-QUARTER (S.E. 1/4) OF THE NORTHWEST ONE-QUARTER (N.W. 1/4) OF SECTION 35, TOWNSHIP 48 SOUTH, RANGE 42 EAST, LESS THE NORTH 40 FEET, THE EAST 25 FEET AND THE WEST 251 FEET THEREOF. SAID LAND LYING IN BROWARD COUNTY, FLORIDA AND CONTAINING 2.6 ACRES MORE OR LESS.