

LEASE/CONCESSION AGREEMENT

THIS LEASE AGREEMENT, made this 11th day of January, 2005, by and between:

CITY OF POMPANO BEACH, a municipal corporation of the State of Florida, hereinafter referred to as "CITY",

and

PG'S ON THE GREEN, INC. a corporation organized and existing under and by virtue of the laws of the State of Florida, hereinafter referred to as "PG'S".

WITNESSETH:

WHEREAS, CITY owns, operates and maintains a municipal golf course which facilities are generally known as the Pompano Beach Golf Course, hereinafter the Premises; and

WHEREAS, there is a public demand for facility improvements and renovations to be affixed to the restaurant/restaurant bar facility at the existing facility, hereinafter the Premises; and

WHEREAS, PG'S has expressed its willingness to construct facility improvements and renovate the existing restaurant, bar and kitchen area at the clubhouse in return for receiving a 30-year lease; and

WHEREAS, the City Commission has determined there is a public need for such a facility and that entering into a 30-year lease with PG'S would be in the City's best interest; and

WHEREAS, the CITY is willing to grant to PG's the exclusive right and privilege to operate the restaurant, restaurant bar, refreshment stand, mobile refreshment carts at the

EXHIBIT

Pompano Beach Municipal Golf Course(s) and desires to memorialize the terms and conditions in this agreement; and

IN CONSIDERATION of the covenants and agreements herein contained and of the payments of monies as hereinafter set forth, the parties hereto mutually agree as follows:

1. PREMISES.

The CITY hereby grants to PG'S and PG'S hereby accepts from CITY, subject to all of the terms and provisions hereof, a lease, for the term hereafter stated, of those lands and improvements owned by the CITY, hereinafter referred to as the Leasehold, and more specifically described in exhibit "A" attached hereto and made a part hereof, for use and operation of a restaurant, and restaurant bar, refreshment stand(s), and food and beverage vending machines and also the exclusive right and privilege of operating mobile refreshment carts upon the Pompano Beach Municipal Golf Course(s), hereinafter referred to as the Premises, at locations subject to approval of the City Manager or his/her designee, and for no other purposes. The CITY agrees that during the term of this Lease it will not contract for or construct another restaurant or similar type business on the Pompano Beach Municipal Golf Course.

2. OPERATION.

A. PG'S agrees to operate a full service restaurant (full service being defined as featuring banquet service, waiter/waitress service at customers' table and bus boy service to clean and clear tables between seatings), restaurant bar, facility improvements (upon their completion as required herein), refreshment stand(s), mobile refreshment carts and food and beverage vending machines. PG'S agrees to serve a variety of complete meals and food items appropriate for the clientele expected to frequent a golf course. Additionally, PG'S shall serve

beer, wine and other alcoholic and non-alcoholic beverages. All food and drink shall be of a first class quality.

PG'S has filed with CITY menus and schedules of prices covering all items to be sold. All such prices shall be fair, reasonable and not greater than current reasonable prices at similar establishments in the Pompano Beach area and are subject to reasonable disapproval by CITY, if in the opinion of the City Manager or his/her designee, any of said prices are excessive. PG'S shall not offer for sale any foodstuffs, beverage or article that has been disapproved by the City Manager or his/her designee.

PG'S shall not sell any "sale by the package" alcohol (alcoholic beverage intended to be consumed by person(s) outside of the restaurant/bar, banquet facilities on the golf course proper or off the leased Premises.) For the purpose of the Agreement "sale by the package" shall be as defined by Florida Statute.

PG'S shall conduct restaurant operations and banquet functions in an orderly manner without disruption of golf course operations. First class service to customers shall be furnished by PG'S, and PG'S shall control and correct objectionable conduct, demeanor and/or appearance of its employees as requested by CITY through its City Manager or his/her designee.

PG'S shall not allow any person to conduct other business or to live or sleep on the Premises nor shall PG'S permit disorderly persons to remain on the Premises nor shall PG'S permit disorderly persons to remain upon or loiter within the Premises.

B. PG'S shall be responsible for: collecting all revenue and recording all revenues through the Linked Point of Sale Cash Register System pursuant to the requirements and procedures as set forth in the Addendum entitled, "Accounting Methods and Procedures".

PG'S shall use such accounting methods and procedures as may be prescribed by CITY

which shall include, but not be limited to, those methods set forth in the Addendum entitled, "Accounting Methods and Procedures", which is attached hereto and incorporated herein by reference.

PG'S shall not use or permit the premises to be used for any other purpose or for any unlawful, immoral or indecent activity.

3. TERM.

The term of this Agreement shall be for thirty (30) years from the date of final approval by the City Commission provided that PG'S complies with the following provision: construct upon that property described in Exhibit "A", which is attached hereto and incorporated herein by reference as if set forth herein, facility improvements and renovations in general conformity to those depicted on Exhibit "B", a copy of which is attached in an amount of not less than \$300,000 for capital improvements and not less than \$200,000 for other equipment, fixtures and improvements to leasehold premises, said cost to be verified by a sworn statement by PG'S with copies of invoices and statements of actual and final construction, equipment, fixtures and renovations costs. The total cost of capital improvements (\$300,000) and other equipment, fixtures and improvements (\$200,000) making the total of both not less than \$500,000. (At least fifty (50%) percent of said dollar amount (\$250,000) for said capital, equipment, fixtures and improvements shall be expended no later than the second anniversary of the effective date of this Agreement with the remainder of the dollar amount for said improvements, if any, to be expended no later than the fourth anniversary of the effective date of this Agreement as required by City Charter. In the event that the said capital improvements and other improvements have not been completed and all sums have not been expended as set forth above, the Agreement shall be terminated at the end of the fourth year.

4. **COMPENSATION TO BE PAID TO CITY.**

A. PG'S agrees to pay CITY as compensation for the lease and the privilege of operating said restaurant, restaurant bar, refreshment stand, mobile refreshment cart and food and beverage vending machines at the Pompano Beach Golf Course for the term of this agreement the amount of \$3,750.00 per month plus applicable sales tax being due the first day of each month upon execution of the agreement and continuing during the term of the agreement.

B. The rent shall be adjusted automatically each year thereafter on October 1 of such year beginning on October 1, 2005 (first adjustment date) by adding to the then current monthly rental the amount obtained by multiplying such current rent by the change, expressed as a percentage of the following:

(1) The latest National Consumer Price Index All Urban Consumers (CPI-UC) as determined and recorded by the United States Department of Labor, Bureau of Labor Statistics, as available June first prior to the expiration of the fiscal year immediately preceding the adjustment date.

(2) The rent shall be adjusted by one hundred percent (100%) of the change for each fiscal year ending September 30. In the event that the index is no longer available during the term of this Agreement, the parties hereto shall mutually select a replacement index as required provided that any such replacement shall, in the best judgment of the parties, be as nearly the same as the replaced index.

(3) The monthly rental provided for in this Section 4 shall be calculated and established by the City at least thirty (30) days proceeding the beginning of each fiscal year (for purpose of this Agreement, "fiscal year" shall mean October 1 through September 30) and shall be effective for the next ensuing fiscal year. The first such adjustment shall be

effective October 1, 2005, based on the change for the period November 2004 through June 1, 2005.

C. If PG'S neglects to make any payment to CITY within five (5) days after the day on which the payment is due and owing, PG'S shall pay to CITY for such privilege an additional charge of twenty-five dollars (\$25) per day for each day's delay in payment, retroactive to and beginning with the first day of the month. Further, on the first day of the month following the month in which the delinquency occurred, the rental due for that month will be due and payable.

D. CITY's right to assess the penalties for payment made later than the day upon which such payment is due shall be in addition to its right to terminate this lease/concession agreement in the event a rental payment is due and owing for more than thirty (30) days. The prompt payment of the rent of this license upon the time specified is a primary condition upon which this lease is made and accepted and any failure on the part of PG'S to comply with the condition shall at the option of CITY, work a forfeiture of this Agreement. CITY shall comply with all legal notices and proceedings in accordance with Florida Statutes.

E. PG'S's obligation to pay compensation shall begin on date of execution and continue on a monthly basis and end upon termination of this agreement.

5. CONSTRUCTION BY PG'S.

PG'S shall, subject to the provisions set forth herein, construct facility improvements and renovations which shall be affixed to and accessible from the existing restaurant located on the real property described on Exhibit "A" and in general conformity to those improvement plans on Exhibit "B".

PG'S, prior to undertaking construction of any kind, will submit a detailed site plan of the proposed construction and renovations to the City Commission for approval of exterior and interior design and other aesthetic features. The City Commission shall approve or disapprove the plans and specifications provided, however, that CITY shall not unreasonably withhold its approval. Following City Commission approval, PG'S shall bear the sole cost and responsibility for obtaining any and all approvals and permits necessary for construction and the ultimate use of the facility and renovations. The parties acknowledge and agree that they share a mutual interest in attempting to ensure that a high quality facility is constructed on the premises and, to this end, the CITY shall make available to PG'S all requested information which is in its possession which is pertinent to the construction project.

Before beginning any construction, PG'S shall furnish a payment and performance bond, issued by a surety company licensed to transact business in the State of Florida and be on the United States Treasury list of approved surety companies, with PG'S as principal, and the company as surety, and CITY as obligee, in a sum not less than one hundred (100%) percent of the total cost of construction and renovation including new equipment, guaranteeing payment for all materials, provisions, supplies and equipment used in, upon, for, or about the performance of the construction work or for labor of any kind and protecting CITY from all liability, loss or damages arising from failure to make the payment. This bond shall be continued in effect for one year after receipt of final payment by contractor for the work, with liability equal to one hundred (100%) percent of the contract price, conditional that the contractor will correct any defective or faulty work or materials which may occur within one (1) year after receipt of final payment as aforesaid.

In addition, PG'S shall, upon approval of construction by the City Commission obtain all insurance and surety bond requirements which must be approved by the City's Risk Manager before any construction or renovation takes place.

The facility construction and renovation and all fixtures therein, as defined in this Agreement, shall be the property of CITY and remain and be surrendered with the premises, and PG'S waives all claim for damage to or loss of any property of PG'S that may be in or upon the premises.

6. FINANCIAL RECORDS.

PG'S shall preserve all financial records, supporting documents, statistical records and any other documents to comply with accounting requirements and regulations of state and federal governments. PG'S shall preserve and upon the City's request make available records of state sales tax and payments, federal tax returns and payments, other federal tax returns and payments, and financial records related to this Agreement for a period of three (3) years after each year term of this Agreement. City's agents shall have the right to examine state sales tax returns and payments, federal tax returns and payments and financial records during daily business hours to determine compliance with accounting requirements, state and federal reporting requirements. The failure of PG'S to produce any of the records prescribed above following a request by CITY shall be deemed a material breach and the CITY may terminate this Agreement. City's agents shall have the right to examine tax returns, tax payments, books and records during daily business hours.

7. **UTILITIES.**

In addition to the compensation to be paid to City as set forth above, PG'S shall pay for all utilities including but not limited to trash, garbage, telephone, electric, gas, water and sewer, fire and security alarm and cable television to or for the Premises.

8. **LIABILITY INSURANCE.**

PG'S shall procure at its cost and expense such public liability insurance pursuant to all terms, conditions and amounts set forth on Exhibit "C", which is attached hereto and incorporated herein by reference as if set forth in full as will protect PG'S and CITY, and its officers and employees, from any and all claims for bodily injury or property damage including fire, legal, contractual, products and liquor liability for claims or damages which may arise from the operation of the restaurant, attached facilities, bar, refreshment stand and food and beverage vending machines, or the conduct of anyone directly or indirectly employed by PG'S. Policies or certificates of insurance shall be delivered to CITY with full premiums paid before the commencement of any operations by PG'S and shall further be subject to the approval of the Risk Manager of the CITY for adequacy, form of protection and company. Public liability insurance shall provide limits of not less than One Million (\$1,000,000.00) Dollars for any one occurrence with the City of Pompano Beach as an additional insured. All such policies shall contain a minimum sixty (60) day cancellation clause and shall be kept in full force and effect throughout the term of this Agreement.

9. WORKER'S COMPENSATION INSURANCE.

PG'S shall provide Worker's Compensation Insurance for all its employees in accordance with the requirements of Florida Statutes, Chapter 440. PG'S further agrees to be responsible for employment, control and conduct of all its employees and for any injury sustained by such employees in the course of their employment.

10. PROPERTY INSURANCE.

PG'S agrees to carry insurance on all interior contents on the Leasehold premises including but not limited to equipment and furnishings or betterments and all Leasehold premises improvements at full replacement value. Said value to be set forth at the inception of agreement and insurance to reflect said value, and from a company licensed to sell insurance in Florida and approved by the Risk Manager of the CITY to cover the above and property loss at the restaurant, bar and refreshment stand, PG'S personal property and equipment, and CITY property and equipment in the care and control of PG'S. The CITY shall be listed as loss payee on the property insurance policy. Such insurance policy or policies shall contain no right of subrogation against CITY. PG'S agrees that if such personal property or equipment shall be damaged or destroyed by fire or any other cause whatsoever, said damages shall be promptly repaired or new equipment, to be approved by the City Manager or his/her designee, to serve the same purpose shall be promptly substituted therefore, all at the expense of PG'S and at no expense to CITY. Value to be reviewed every five (5) year period and insurance policy adjusted as needed.

11. INDEMNIFICATION.

PG'S assumes all risk for all construction activities contemplated herein and in the operation of the restaurant and bar, attached Leaschold facilities, refreshment stand, mobile refreshment carts and food and beverage vending machines and shall be solely responsible and answerable in damages for all accidents or injuries to persons or property and hereby covenants and agrees to indemnify and save harmless CITY and its officers, agents and employees from any and all claims, suits, losses, damage or injury to person or property of whatsoever kind and nature including the payment of all attorneys' fees, whether direct or indirect, arising out of the actions taken pursuant to this Agreement, the construction activities occurring in and the operation of said Premises and vending machines or the carelessness, negligence or improper conduct of PG'S or any agent, servant, employee, contractor, patron, customer and supplier, which responsibility shall not be limited to the insurance coverage herein provided.

12. RESIDENT MANAGER.

PG'S shall provide on the premises during all hours of operation, as provided hereinafter, a Resident Manager. The Resident Manager will devote his personal attention to the management of the restaurant, bar, banquet facility, refreshment stand and mobile refreshment carts operations and the construction activities contemplated herein. PG'S agrees to employ a competent Assistant Resident Manager in the absence of the Manager who is experienced in restaurant management and catering to assist the Resident Manager and who shall act as Resident Manager and operate the restaurant, restaurant/bar, banquet facility and refreshment stands when the Resident Manager is absent. Whenever CITY informs PG'S in writing stating the reason or reasons why such Resident Manager or Assistant Resident Manager of the restaurant and

refreshment stand is unsatisfactory to CITY, PG'S shall, within seven (7) days, either replace him with a new resident Manager or Assistant Resident Manager satisfactory to CITY or resolve those reasonable objections, as raised by the City Manager or his/her designee.

13. PG'S AS INDEPENDENT CONTRACTOR.

In operating the restaurant, restaurant/bar, attached Leasehold facilities, refreshment stand, mobile refreshment carts and food and beverage vending machines described herein, PG'S shall act as an independent contractor and for its own account and not as an agent, representative or employee of CITY, CITY shall not be responsible for the wages or salaries of any employee or representative of PG'S, nor for any debts, liabilities or other obligations of PG'S. Its employees shall not be considered as CITY employees and shall not be eligible for the benefits incident to CITY employees or subject to supervision by CITY officials. CITY shall have the right, through its officers and agents, including its police officers, to eject from the premises any employee of PG'S whose conduct is improper, inappropriate or offensive, and PG'S for itself and for its employee or employees waives any and all claims for damages against CITY, its officers and agents and/or police officers on account thereof.

PG'S will require from persons employed by PG'S in connection with the activities hereunder a written statement, and will deliver, upon request, such written statement to CITY that such person recognizes and admits that he is an employee of PG'S and not of the CITY and that he is not entitled to any of the rights or the privileges accorded an employee of CITY under law, ordinance or regulation. Failure, however, on the part of PG'S to secure such statement, or the CITY to request the same, will not make or constitute the employee in question an employee of CITY.

It is agreed between the parties that neither party without the consent of the other shall hire any employee who has been in the employment of CITY or PG'S during the term of this Agreement and for a period one (1) year from the termination of this Agreement.

14. DAILY HOURS OF OPERATION.

A. Restaurant and Restaurant Bar – The minimum daily hours of operation for the serving of food and beverages shall be from 7:00 a.m. until 7:00 p.m. each day; provided, however, that PG'S may serve food and beverages during additional hours provided it is in conformity with local ordinance and any other applicable laws. In conformity with CITY ordinance, alcoholic beverages shall not be sold before noon on Sundays unless CITY shall amend its applicable ordinances to allow an earlier opening.

B. Refreshment Stand – The refreshment stand shall be opened each day from 9:00 a.m. until 5:00 p.m.

C. Mobile Refreshment Carts – The mobile refreshment cart shall be operated each day from 9:00 a.m. until 5:00 p.m., weather permitting.

15. SERVICE AND COMPLIANCE WITH LAWS AND REGULATIONS.

PG'S agrees to have at all times ample, competent and sufficient personnel, properly clothed and neatly uniformed on duty to render adequate service and assistance to the public, consistent with the then existing standards in the community governing staffing and work attire for similar business operations. The City Manager or his/her designee being the judge of the adequacy of such service, including the adequacy of the number of personnel and clothing standards. The City Manager or his/her designee reserves the right to require all personnel to be identified by a conspicuous name badge. The City Manager or his/her designee reserves the right to request the dismissal of any employee of PG'S whose appearance or demeanor and

actions are contrary to the best interests of CITY. PG'S shall not employ or use any persons know as "hawks", "spielers", "cryers" or other noise makers or any other means of attracting attention to the restaurant and/or refreshment stand without prior written approval of the City Manager or his/her designee.

PG'S shall comply with all applicable laws of the United States, the State of Florida, Broward County and the City of Pompano Beach as currently enacted or as may be amended from time to time and shall use the Premises for no unlawful purposes whatsoever. PG'S further agrees not to permit any intoxicated person to remain within or upon the restaurant, restaurant/bar, banquet facility or refreshment stand. or to knowingly permit an intoxicated person to operate a motor vehicle.

16. EQUIPMENT.

PG'S shall, at its expense, furnish the equipment and fixtures and all personal property necessary or convenient for the operation of full service restaurant, bar, banquet facility and the other businesses permitted herein to be conducted by PG'S from or at the demised Premises. Current equipment, fixtures and personal property furnished by the CITY shall include, but not be limited to, those items set forth in Exhibit "D", which is attached hereto and incorporated herein by reference. It is mutually agreed that PG'S shall furnish fixtures, equipment and personal property and decorate the demised Premises and put them in the condition of a fully-equipped, fully-operating, full service restaurant, attached facilities and fully-operating bar. PG'S shall submit plans and specifications concerning fixtures, equipment and decorations to CITY for reasonable approval prior to installation of any items.

Equipment and fixtures furnished by PG'S shall become the property of CITY, and PG'S shall not have the right at any time during the term of this lease or at the termination

thereof, to remove any fixtures or equipment erected or installed pursuant to this Agreement. All equipment and fixtures become the property of the City including but not limited to all items as listed on Exhibit E. For the purpose of this Agreement, "fixture and equipment" shall be defined as anything annexed or affixed to the building or structure, or which appears to be so affixed or annexed, regardless of whether it is capable of being removed.

17. SANITATION.

PG'S shall keep all fixtures, equipment and personal property, whether owned by PG'S, CITY or third parties, and the restaurant, banquet facility, bar and refreshment areas for a distance of fifty (50) feet there from, in a clean and sanitary condition and shall cleanse, fumigate, disinfect and deodorize the same whenever directed to do so by the City Manager or his/her designee or his representative. All state health laws and the State Health Department regulations must be strictly complied with. All janitorial services necessary in said areas shall be provided by PG'S at PG'S' expense.

PG'S agrees to dispose of all refuse and garbage where and as directed by the City Manager or his/her designee, at PG'S' expense, and to keep outside container areas clean at all times.

18. MAINTENANCE REQUIRED BY PG'S.

PG'S agrees to provide the necessary management and labor and continuously maintain and repair the Leasehold Premises including all operating equipment, fixtures, utility services and connections on the Leasehold Premises, janitorial and custodial services, trash and garbage removal services, all heating, ventilating, air conditioning equipment, pipes and conduits, and any and all other related services necessary to maintain the Leasehold Premises in good, safe, sanitary condition and repair throughout the term of this lease and agreement. PG'S

shall be responsible for painting and decorating the interior of the Leasehold Premises structures and maintaining and repairing its equipment and fixtures, furnishings and other property in good condition and repair. All such maintenance and repair shall be at PG'S' sole expense and will be subject to general inspection by CITY to insure a continuing quality of maintenance and appearance and physical condition of the Leasehold Premises. In the event that the Leasehold Premises and all of the property shall not be kept by PG'S as required herein, CITY may enter the Premises (without such entering causing or constituting a termination of this Lease or an interference with the possession of the premises by PG'S) and may cure the default of PG'S. Should such event occur, PG'S agrees to pay CITY in addition to the rent, all costs and expenses incurred by CITY in curing such default.

The CITY's responsibility for maintenance shall be solely limited to the roof, exterior walls, HVAC repairs or replacement over \$300, landscaping maintenance, maintenance of the parking lot and painting of the outside of the Leasehold Premises. All other maintenance and repair shall be the sole responsibility of PG'S.

19. DELIVERY OF SUPPLIES.

PG'S shall arrange for delivery of supplies and material used by it at the restaurant, banquet facility, bar, refreshment stand and mobile carts at all times and in a manner so that such deliveries do not create congestion or an undue interference with the regular operation and maintenance of the golf course.

20. ADVERTISEMENT.

PG'S shall be entitled to advertise it's business operation, including special events, by written or printed information, provided such advertisements comply with all local sign, banner or poster ordinances and all printed information conforms to the then existing

community standards of good taste and appropriate for viewing by children and adults in the community. PG'S covenants and agrees that should the City Manager or his/her designee or designee object to advertisements of any manner or form which are placed on or about the Leasehold Premises, buildings or spaces under its control or elsewhere, or in any newspaper or otherwise, PG'S shall immediately take all steps necessary to cease such objectionable advertisement.

21. STORAGE OF COMBUSTIBLE MATERIALS.

PG'S shall not use or permit the storage of any illuminating oils, candles, oil lamps, turpentine, benzine, naphtha or other similar substances or explosives of any kind, or any substances or thing prohibited in the standard policies of fire insurance companies in the State of Florida, in any building(s) erected or to be erected on any of the premises.

22. INSPECTION.

It is agreed that the Leasehold Premises may be inspected during normal business hours by the City Manager or his/her designee or his authorized representatives or representatives of the County Department of Health. PG'S agrees that if PG'S is notified by the City Manager or his/her designee or his or her designee that any part of the Leasehold Premises or facilities thereof are in violation of any health regulations, laws, regulations, ordinance or provisions of this Agreement, PG'S must initiate action to remedy the same within a reasonable time. PG'S expressly understands and agrees that health or safety issues must be remedied at once. Violations that do not involve health or safety issues must be remedied as soon as possible, but not more than thirty (30) days of the violation.

23. NO UNLAWFUL USE.

PG'S agrees not to use, nor suffer or permit any person to use in any manner whatsoever the said Leasehold Premises or any part thereof, or any building thereon for any illegal purpose, or for any purpose in violation of any federal, state or municipal law, ordinance, rule, order or regulation of CITY now in effect or hereafter enacted or adopted, and will protect, indemnify and forever save and keep harmless CITY and the individual members and their agents, from and against any damage, penalty, fine, judgment, expense or charge suffered, imposed, assessed, or incurred for any violation or breach of any law, ordinance, rule, order or regulation occasioned by any act, neglect or omission of PG'S, or any employee, person or occupant for the time being of said Leasehold Premises; and in the event of any violation, or in case the City Manager or his/her designee or his or her designee shall deem any conduct on the part of PG'S, or the said lease, concession or the operation thereof to be in violation of the provisions set forth herein, the City Manager or his/her designee shall have the right and power and is hereby authorized by PG'S, upon providing notice of unlawful use, and upon PG'S' failure to remedy the unlawful use to terminate this Agreement pursuant to the provisions for cancellation set forth in this Agreement.

24. TAXES AND LICENSES.

PG'S shall promptly pay any and all taxes which shall include all sales tax and shall include, but not be limited to, any and all taxes assessed on the property by reason of PG'S use thereof pursuant to the provisions of this Agreement and shall, in addition, promptly pay any and all excise or license fees of whatever nature applicable to this operation and lease of the Premises, and take out and keep current all licenses and permits, municipal, state or federal required for the

conduct of the business, and further shall not permit any of said taxes, excise or license fees to become delinquent.

PG'S also shall not permit any mechanic's or materialmen's or any other lien to be imposed upon the Leasehold Premises or any part or parcel thereof by reason of any work or labor performed or materials furnished by an mechanic or materialman to or upon or regarding said property or said lease herein granted. In the event a mechanic's or material men's or any other lien is placed against the Leasehold Premises or any part or parcel thereof, PG'S shall either remove such lien by posting a sufficient bond within ten (10) days after receipt of notice of such lien or satisfy the lien. PG'S shall pay promptly when due all bills, debts and obligations incurred with the operation of the restaurant, banquet facility, bar, refreshment stands, mobile refreshment carts and food and beverage vending machines and not permit same to become delinquent and suffer no lien, mortgage, judgment, execution nor adjudication in bankruptcy which will in any way impair the rights of CITY under this Agreement.

25. WAIVER OF LIABILITY.

PG'S hereby waives any and all claims for compensation for any and all loss or damage sustained by reason of any interference by any public agency or official or damages caused by theft, vandalism or other wrongful acts of any kind or nature of third parties in the operation of this lease; any such interference shall not relieve PG'S from any obligation hereunder.

PG'S further hereby expressly waives any and all claims for compensation for any and all loss or damage sustained by reason of any defects, deficiencies or impairment of the electrical apparatus, water supply equipment or wires furnished for the premises hereby granted, or by reason of any loss or impairment of light, current or water supply which may occur from

time to time for any cause, for any loss or damage sustained by PG'S resulting from fire, water, hurricane, tornado, civil commotion, riot or theft; and PG'S hereby expressly waives all rights, claims and demands and forever releases and discharges CITY and its officers and agents from any and all demands, claims, actions and causes of actions arising from any of the causes aforesaid.

It is expressly understood and agreed by and between the parties hereto that the City Manager or his/her designee and his officers and agents are acting in a representative capacity and not for their own benefit, and that neither PG'S nor any occupant shall have any claim against them or any of them as individuals in any event whatsoever.

26. FUTURE IMPROVEMENTS.

CITY may, in the future, authorize improvements upon the Premises that CITY may, in its sole discretion, deem to be in the public interest. All such future improvements shall be subject to the approval of the City Commission. In the event any such improvement is done by PG'S without the approval of the City Commission, CITY may require PG'S, at CITY's option, to remove the same or cause the same to be changed to conform with the original construction upon the premises. In the event PG'S 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 PG'S.

27. EXPENDABLE EQUIPMENT.

PG'S agrees, under the supervision of the City Manager or his/her designee, to supply, install and maintain, at its own cost and expense, all expendable items necessary for the operation of the restaurant, attached facilities, bar and refreshment stand. These expendable items shall include among other items such as glassware, brand new china and silverware,

cutlery, cash registers, food and beverage vending machines, pots and pans, kitchen utensils, etc. It is understood and agreed that title to expendable items vests in and belongs to PG'S. Upon the expiration of this Agreement, PG'S agrees that any expendable items owned by PG'S shall be removed from the premises within thirty (30) days of such expiration unless purchased by the succeeding Lessee or CITY.

28. INSPECTION BY PG'S.

PG'S agrees that it has inspected the premises including, but not limited to, the kitchen, walk-in refrigerator, air conditioner, restaurant, bar refreshment stand, ladies' and men's restrooms, and storage room, and agrees that such Premises are in a satisfactory condition and are suitable for the purpose of this Agreement, and that it is not relying upon any representation or statement by CITY or its officers or employees.

29. LICENSES.

PG'S shall have thirty (30) days in which to obtain the required state, county and local licenses and permits, or such other time as the licensing agency shall deem appropriate. In the event PG'S is rejected or is otherwise unable to obtain the required state, county and local licenses and permits for all operations called for in this Agreement, such rejection or inability will be cause for the termination of this Agreement.

30. SPECIAL PARTIES AND BANQUETS.

PG'S shall have the right to serve special parties, banquets, club meetings, special events and other similar functions.

31. CASH REGISTERS.

PG'S shall provide at the restaurant, bar, attached facilities and at the refreshment stand, cash registers with proper classification keys to record separate sales for beverages, food and other items.

PG'S shall purchase, install and maintain a Linked Point of Sale Cash Register System as required in the attached Accounting Methods And Procedures Addendum.

PG'S agrees to operate the system in accordance with Procedural Directives established by CITY in the attached Accounting Methods and Procedures as cross referenced with the operational manual of the cash register system to be installed by PG's.

32. BEVERAGE LICENSE.

PG'S shall maintain, at a minimum, in force at all times alcoholic beverages license, Beverage 1600707 4COPSR, which was transferred from the previous licensee provided, however, that PG'S shall be permitted to seek additional licenses.

At the expiration or termination of this Agreement, regardless of the reason for termination, CITY shall direct PG'S to transfer the alcoholic beverage license #1600707 4COPSR either to CITY or to a person or entity specified by CITY. PG'S shall promptly cooperate and do all things necessary to effect such subsequent transfer of the alcoholic beverage license.

33. NOTICE.

Whenever either party to this Agreement desires to give notice to the other, it must be given by written notice, sent by certified United States mail, with return receipt requested, addressed to the party for whom it is intended, at the place last designated, and the

place for giving notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following respective places for giving of notice, to-wit:

FOR CITY:

City Manager
City of Pompano Beach
Post Office Drawer 1300
Pompano Beach, Florida 33061

FOR PG'S:

PG's On The Green, Inc.
1103 N. Federal Highway
Pompano Beach, Florida 33061
Attention: Patrick J. Galuppi

34. SURRENDER OF PREMISES.

PG'S agrees that upon the expiration as set forth herein or pursuant to some earlier termination of this Agreement, PG'S will quit and surrender the Premises in as good order and condition as reasonable use and wear thereof will permit.

35. ASSIGNMENT OR SUBLETTING.

PG'S may assign, transfer, convey, sublet or otherwise dispose of this Agreement or of this right, title or interest therein, or the power to execute this Agreement, to any other person, company or corporation upon consent by resolution of the City Commission. The City Commission consent shall be in its own discretion. This Agreement nor any of the rights herein granted shall not be assignable or transferable by any process or proceeding in court, or by judgment, execution, proceedings in the insolvency or bankruptcy, either voluntary or involuntary or receivership proceedings; and in the event of insolvency or bankruptcy, either voluntary or involuntary, of PG'S, CITY may at its option terminate and cancel said Agreement

without any notice of any kind whatsoever, in which event all rights of PG'S hereunder shall immediately cease and terminate and it or its representatives shall immediately deliver up possession to CITY.

If PG'S shall, without previous written consent specified in the first paragraph of this section, assign, transfer, convey, sublet or otherwise dispose of the same, or his right, title or interest therein, or the power to execute this Agreement, to any other person, company or other corporation, CITY may revoke and annul Agreement, and CITY shall be relieved and discharged from any and all liability and obligation arising out of said Agreement to PG'S and to the person, company or corporation to whom he shall assign, transfer, convey, sublet or otherwise dispose of the same.

36. LIEN ON PERSONAL PROPERTY.

It is expressly agreed that CITY shall have a continuing lien on all personal property of PG'S which may be on the Premises for any and all sums which may from time to time become and be due to CITY under the terms of this Agreement, and upon default of payment by PG'S, CITY has the right to take possession of and retain same until the full amount due shall be paid, or to sell the same at public auction and, after deducting the expense of such sale, apply the balance of the proceeds to such payment, and if there be any deficiency, to resort to any legal remedy.

PG'S further agrees not to remove from said Pompano Beach Golf Course any personal property brought thereon by PG'S for the purpose of this Agreement, except in the normal course of business or with the express written consent of the City Manager or his/her designee. Upon the expiration of the terms herein, if PG'S has made full payment under this Agreement, and carried out the terms of this Agreement, PG'S may remove its personal

property from the facilities and shall do so within two (2) weeks after the end of the term herein stated and upon failure to do so, CITY by its officers and agents may cause the same to be removed and stored at the cost and expense of PG'S and CITY shall have a lien thereon in the amount of the cost and expense of such removal and storage until paid and may sell such personal property and reimburse itself for such cost and expense plus the expense of the sale.

37. DESTRUCTION OF PREMISES.

If, during the term of this Agreement, the Leasehold Premises, including restaurant, restaurant bar, and/or refreshment stand are destroyed or damaged by an act of God, war, or other catastrophe, so that same is unfit for occupancy or use, PG'S must rebuild the facility using insurance funds, provided for in the Agreement and maintained on the Leasehold Premises. In the event the Leasehold Premises is destroyed or damaged as set forth above and PG'S is required to rebuild, PG's must have all plans approved by the City Commission before rebuilding the Leasehold Premises. PG'S shall receive an abatement of rent during construction and prior to the issuance of Certificate of Occupancy, time or construction being of the essence.

38. ENTIRE AGREEMENT.

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, it is agreed that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written.

It is further agreed that no modifications, amendment or alteration in the terms of conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

39. SECURITY FOR PERFORMANCE BOND OR CASH.

PG'S agrees that it has delivered to CITY and will at all times during the term of this Agreement maintain in effect a valid bond payable to CITY in a company acceptable to and approved by the City Manager or his/her designee and Risk Manager of CITY, which bond shall be conditioned upon PG'S performing each and every condition of this Agreement; provided, however, that if at any time during the term of this Agreement, in the opinion of the City Manager or his/her designee of CITY, the amount of the bond required herein is insufficient to properly protect CITY from loss hereunder, the said City Manager or his/her designee may, in writing state his reasons, require the bond then in effect to be increased, in a reasonable amount. The number of copies supplied shall be as requested by the said City Manager or his/her designee. The said bond shall be in the amount of Ten Thousand and 00/100 (\$10,000.00) Dollars.

40. ALTERATION OR IMPROVEMENTS BY CITY.

CITY reserves the right, from time to time, at its own expense and by its officers, agents and contractors, to make such renovations, repairs and changes in and about the Premises, other than those herein provided for PG'S to do, as CITY deems desirable. In such event, PG'S agrees to make no claim against CITY, its officers, agents and contractors, for interference with, loss or damage to the business during such renovations, repairs and changes; provided, however, that payment of compensation by PG'S shall be abated for any period during which PG'S is prevented from conducting all of its business due to such renovations,

repairs and changes. The provision for abatement of rent shall not apply when PG'S is the entity which is doing the work. In making any renovations, repairs, etc., the CITY shall use its best efforts so as not to disrupt PG'S' business or to minimize any such disruptions.

41. CANCELLATION.

Violation of any of the covenants, duties or terms of this Agreement shall be cause for termination of this Agreement. CITY reserves the right to terminate this Agreement should any of the following occur:

- A. Institution of proceedings in voluntary bankruptcy by PG'S.
- B. Institution of proceedings in involuntary bankruptcy against PG'S if such proceedings continue for a period of ninety (90) days.
- C. Assignment by PG'S for the benefit of creditors.
- D. Abandonment by PG'S for a period of seven (7) days of discontinuation of operations hereunder.
- E. Total or partial destruction of premises by fire or any other casualty and election by CITY not to rebuild or repair after considering whether or not it would be economically feasible to rebuild or repair. In the event the damage caused is totally covered by insurance and will result in no expense to the City, PG'S shall be entitled to rebuild or repair the Leasehold Premises. In the event the damage is greater than insurance proceeds and the City initially determines it would not be economically feasible to rebuild or repair, and should the City later reverse it's decision during the remaining term of this Agreement, then upon delivery of all insurance proceeds received by it as a result of payment for the damage, PG'S would be entitled to resume operations, following the issuance of a Certificate of Occupancy, for the remaining term of this Agreement upon the same terms and conditions as if the damage had not occurred.
- F. Violation of any other covenant, duty or term of this Agreement.

CITY shall have the right to terminate the Agreement for non-payment of any sum due hereunder, when non-payment continues for a period of thirty (30) calendar days after

the due date for such payment. Before termination for non-payment, CITY shall send to PG'S a written notice of termination of Agreement via certified mail at least fourteen (14) days in advance of the termination date. Should PG'S pay all sums and interest due within the fourteen (14) days' notice period, termination shall not occur. The interest due shall be calculated at the rate of 1.5% per month of the outstanding balance for an effective annual rate of eighteen (18%) percent. However, should such termination proceedings be initiated three times or more in any twelve (12) month period, CITY shall have the right to immediately terminate the Agreement without further notice.

The failure of CITY to enforce any covenant, duty, term or condition of the Agreement shall not be deemed to void or affect the right of CITY to enforce the same covenant, duty, term or condition on the occasion of a subsequent default or breach.

42. For the purposes of this Agreement, the parties agree that wherever the City Manager or his/her designee is given the authority to make decisions, to give direction or take action, such decisions shall be reasonable considering the facts, circumstances and in the best interest of the public.

43. Operation of the Golf Course and all other activities not specifically granted to PG'S by this Agreement shall remain under the control and/or responsibility of the City. PG'S shall have no involvement or interfere in anyway with the operation and maintenance of the golf course or any other facility or activity not specifically granted to PG'S.

IN WITNESS WHEREOF, the parties to this Agreement have set their hands and seals on the day and year first written above.

"CITY":

Witnesses:

Janne Bochan

Shelley R. Bartholomew

CITY OF POMPANO BEACH

By:

John C. Rayson
JOHN C. RAYSON, MAYOR

By:

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

Attest:

Maryl Chambers

MARYL CHAMBERS, CITY CLERK

(SEAL)

Approved As To Form:

Gordon B. Linn

GORDON B. LINN, CITY ATTORNEY

STATE OF FLORIDA
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 18th day of January, 2005 by JOHN C. RAYSON, 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:

Tammy Anderson

NOTARY PUBLIC, STATE OF FLORIDA

Tammy Anderson

(Name of Acknowledger Typed, Printed or Stamped)




Tammy Anderson
MY COMMISSION # DD210235 EXPIRES
May 6, 2007
BONDED THROUGH TROY FAIR INSURANCE, INC.

Commission Number

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 18th day of January, 2005 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 PUBLIC, STATE OF FLORIDA

NOTARY'S SEAL:



Tammy Anderson
MY COMMISSION # DD210235 EXPIRES
May 4, 2007
BONDED THRU TROY FAIR INSURANCE, INC.

Tammy Anderson

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

STATE OF FLORIDA

COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 18th day of January, 2005 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 PUBLIC, STATE OF FLORIDA

NOTARY'S SEAL:



Tammy Anderson
MY COMMISSION # DD210235 EXPIRES
May 4, 2007
BONDED THRU TROY FAIR INSURANCE, INC.

Tammy Anderson

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

"PG'S ON THE GREEN, INC.":

Witnesses:

Tangia J. Ellis
Tangia ELLIS

Nick Lakourgon
NICK LAKOURGON

PG'S, INC.

By:

Patrick J. Galuspi
Signature

PATRICK J. GALUSPI

Name Typed, Printed or Stamped

Title: PRESIDENT

STATE OF FLORIDA

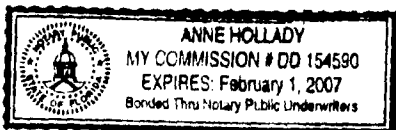
COUNTY OF BROWARD

The foregoing instrument was acknowledged before me this 3 day of

Jan., 2005 by Patrick J. Galuspi as
President of PG'S, Inc., on behalf of the corporation. He/she is
personally known to me or who has produced

(type of identification) as identification.

NOTARY'S SEAL:



Anne Hollady
NOTARY PUBLIC, STATE OF FLORIDA

(Name of Acknowledger Typed, Printed or Stamped)

Commission Number

GBL/jrm/ds

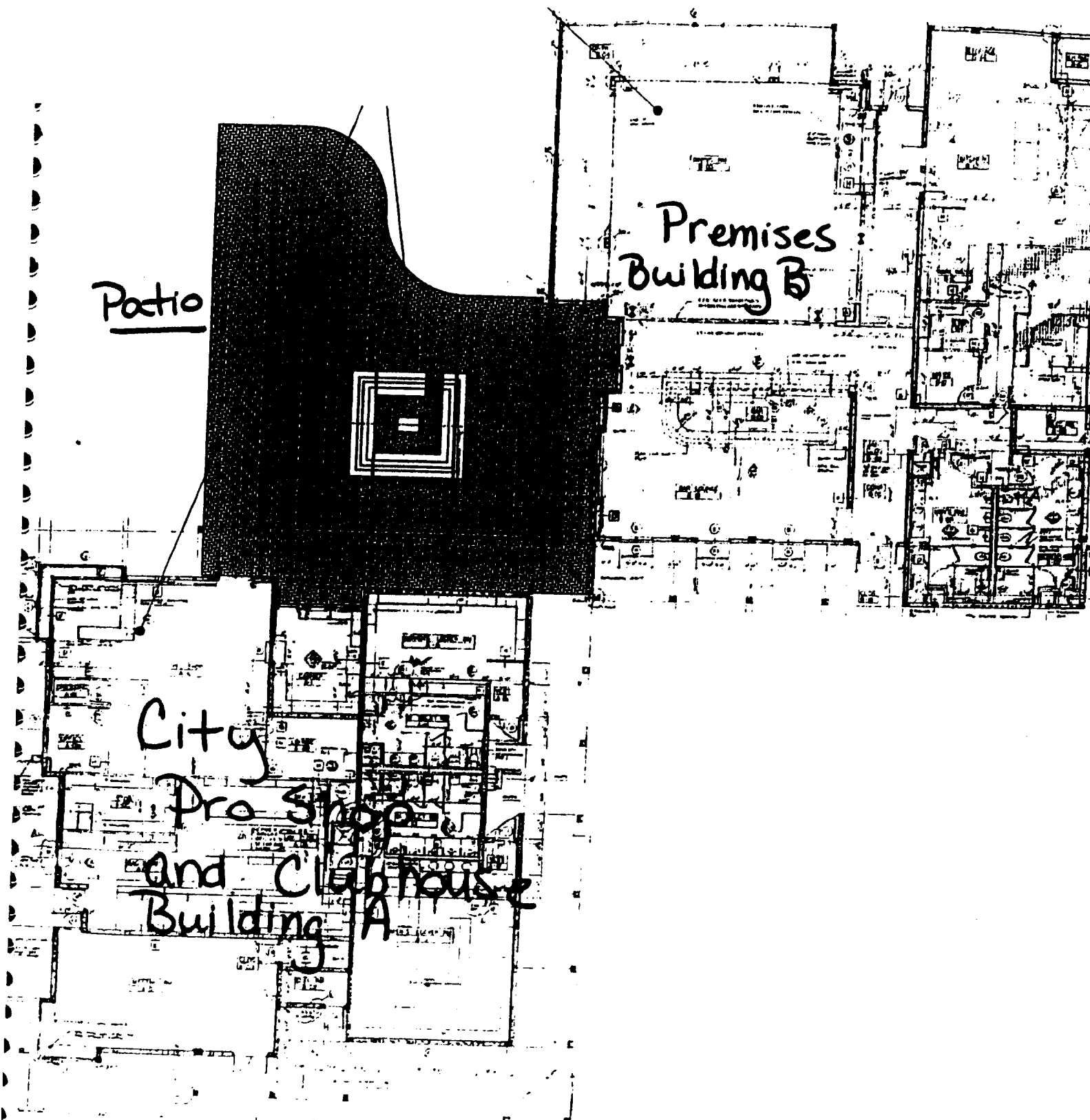
7/6/04

l:agr/regr/caregrantagmt

2004-1855

h-holann-golf-PG'sOnGreenContractJan2005

Exhibit A



Floor Plan

1"=20'-0"

- 1 New wall, window and door to create office and storage
- 2 Remove existing office and storeroom for new walk in refrigerator and freezer
- 3 Remove built-ins and open existing wall for new doors
- 4 Remove existing non-bearing wall for new sound proof folding partition with doors at each end, to allow large special events for (260 people)
- 5 Remove existing bar and renovate room
- 6 New glass double door with new air curtain
- 7 New sliding glass doors and air curtain to replace existing window, to open new bar inside to outside
- 8 New Open-Air Bar & Covered Pavillion on existing patio
- 9 New glass door to patio with air curtain
- 10 Existing Proshop Building unchanged
- 11 Existing 120 seat banquet room to be totally renovated and enlarged to accomodate 201 people with new decor
- 12 Remove existing 8' wall, ceiling and roof on north and west side of building
- 13 New addition to banquet room with higher ceiling to match existing and taller tinted windows to capture views of golf course, courtyard, lake fountain, bridge and new gazebo
- 14 New 12 seat gazebo for future special events on lake next to bridge 14
- 15 New exterior Improvments to building to enhance curb appeal from Federal Highway (US1)
- 16 New soundproof folding partition to allow multi-functional uses of banquet facility
- 17 New kitchen equipment to serve 300 people at one time
- 18 New indoor bar for public or private functions
- 19 Continued upkeep and Improvments to maintain image and standards during the lease term

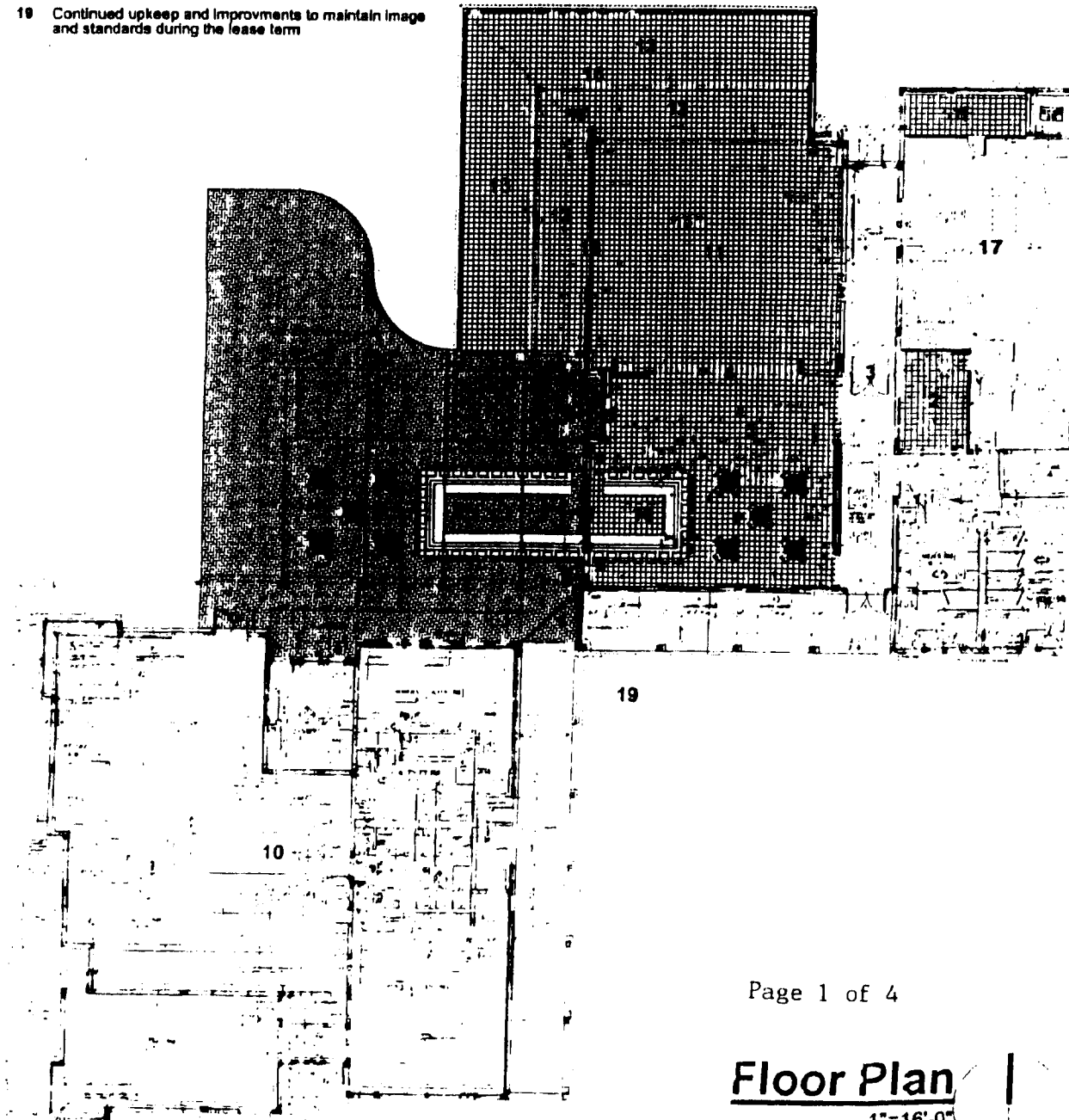
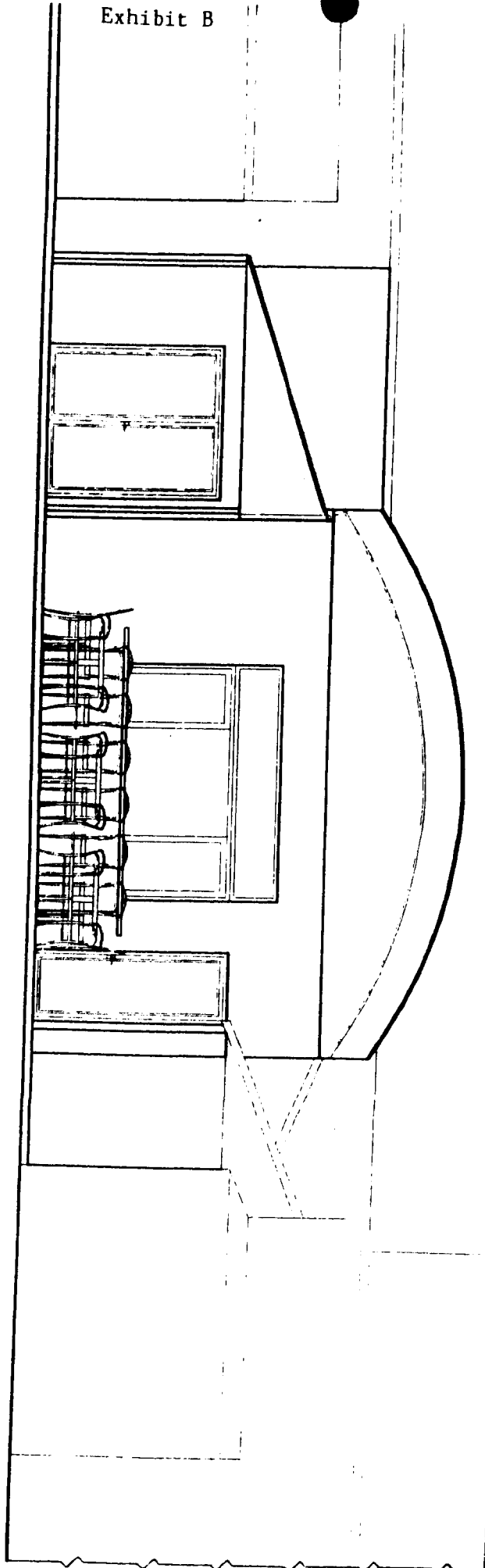


Exhibit B



West Elevation

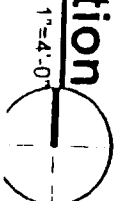
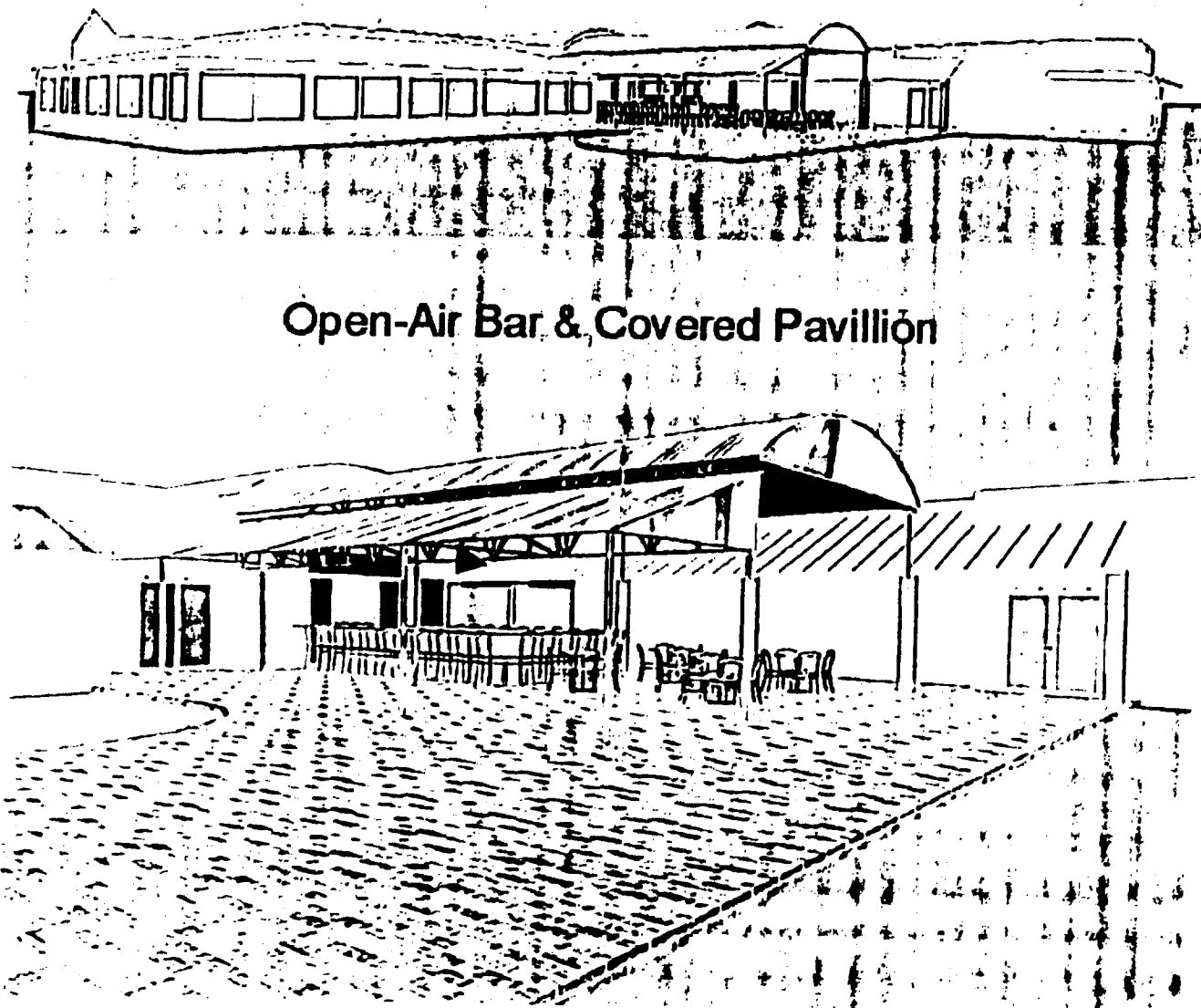
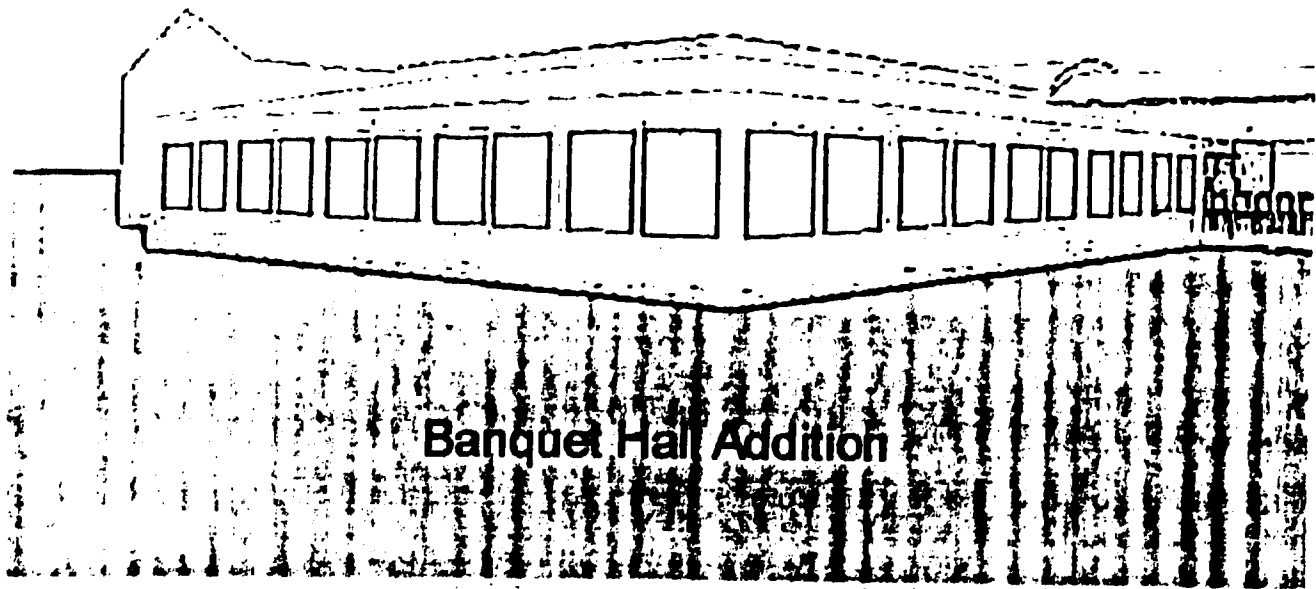


Exhibit B



Gazebo 100.00 sq ft

Exhibit B

Banquet Hall Addition
1,733 sq ft

Open-Air Bar & Covered
Patio Pavillion
1,564 sq ft

Existing Buildings

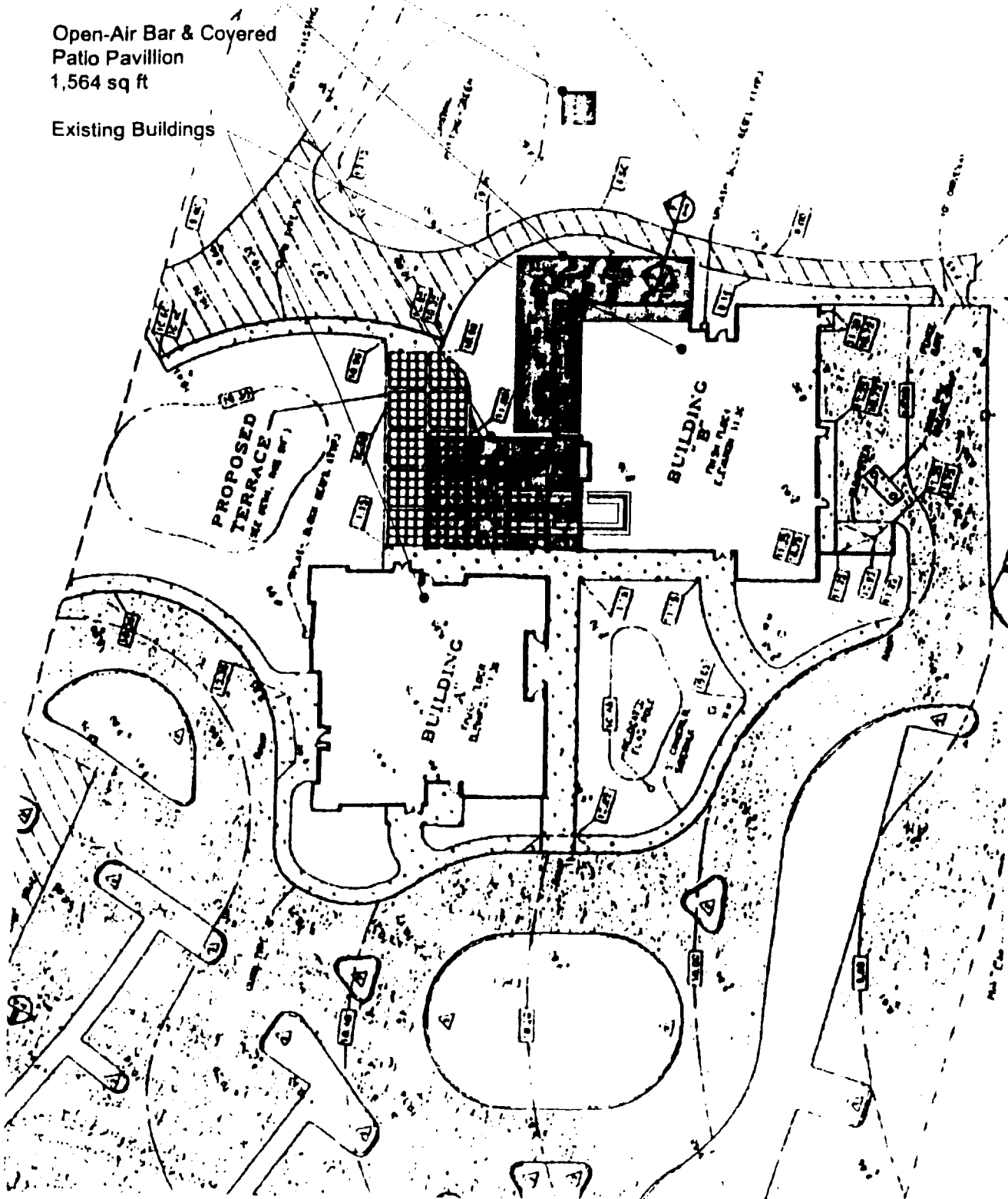


Exhibit C

CERTIFICATE OF INSURANCE

 DATE
MM/DD/YY

PRODUCER

AGENT (ADDRESS, PHONE)

 THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND
 CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE
 DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE
 POLICIES BELOW

COMPANIES AFFORDING COVERAGE

COMPANY A

INSURED

CONCESSIONAIRE (ADDRESS, PHONE)

YOUR COMPANY

ADDRESS/PHONE

COMPANY B

COMPANY C

COMPANY D

COVERAGES

 THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE
 POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT
 WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED
 HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY
 PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YY)	POLICY EXP. DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY (BROAD FORM)	XXXXX	MM/DD/YY	MM/DD/YY	EACH OCCURRENCE 1,000,000
	PROFESSIONAL/COMM. GENERAL LIABILITY				FIRE DAMAGE 100,000
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (ANY ONE PERSON) 5,000
	ERRORS & OMISSIONS				PERSONAL & ADV INJ 1,000,000
	CONTRACTUAL LIABILITY				GENERAL AGGREGATE 2,000,000
A	ALL AUTOMOBILE LIABILITY	XXXXX	MM/DD/YY	MM/DD/YY	COMBINED SINGLE LIMIT 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (PER PERSON)
	<input checked="" type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (PER ACCIDENT)
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE
	<input checked="" type="checkbox"/> HIRED AUTOS				
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				
B	EXCESS LIABILITY	XXXXX	MM/DD/YY	MM/DD/YY	EACH OCCURRENCE
	UMBRELLA FORM				AGGREGATE
	OTHER THAN UMBRELLA FORM				RETENTION
C	WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY	XXXXX	MM/DD/YY	MM/DD/YY	STATUTORY LIMITS
	THE PROPRIETOR/ PARTNERS/EXEC				EACH ACCIDENT 100,000
	<input checked="" type="checkbox"/> INCLUDED				DISEASE-POLICY LIMIT
	OFFICERS ARE <input type="checkbox"/> EXCLUDED				
	OTHER Liquor Liability				1,000,000 each Occ.

 DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES, SPECIAL ITEMS
 City of Pompano Beach is an "Additional Insured" AFMA

CERTIFICATE HOLDER (ADDITIONAL INSURED) Y

CANCELLATION

 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED
 BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY
 WILL ENDEAVOR TO MAIL ____ DAYS WRITTEN NOTICE TO THE
 CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL
 SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY
 KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES
 AUTHORIZED REPRESENTATIVE'S SIGNATURE

 CITY OF POMPANO BEACH
 RISK MANAGEMENT DIVISION
 100 NE 3RD AVENUE
 POMPANO BEACH, FL

EXHIBIT D

The item and quantity as so listed hereafter is subject to change based upon recommendations.

EXHIBIT "D"
Inventory of Equipment Owned by City of Pompano Beach
At Golf Course Restaurant

<u>QUANTITY</u>	<u>DESCRIPTION</u>
1	6 burner range with oven & cheese mounted above
1	Convection oven, single deck
1	Double over shelf
1	Stainless steel D7Prep table 30" x 60"
1	3 compartment sink for pots and pans washing
1	Soiled and clean dish tables with rinsing area
1	Cutting and slicing table
2	Hand sinks, wall mount
1	Drop-in waitress counter sink
2	Cocktail units
1	3 compartment glass wash sink
1	Ice bin (krown)
5	Tables 24" x 54"
4	Tables 30" x 60"
3	Tables (round) 5'
3	Tables 30" x 30"
1	Table 36" x 36"
1	5 Compartment hot well unit
1	1 Compartment refrigerated salad bar
1	TV 26" Samsung
1	TV 25" Magnavox
3	Stainless steel tables 30" x 72"
1	Stainless steel table 2 shelf 30" x 84"
1	Walk in refrigerator
1	Freezer 32" x 22" (GE)
1	Office Desk
2	4 drawer filing cabinets
2	Compressors for walk in refrigerator/freezer
1	Ice Machine
1	Hand bar sink
1	Kitchen sink

Exhibit E
Fixture and Equipment

Description of Equipment and Furniture

Kitchen Equipment

<u>Description</u>	<u>Model #</u>	<u>Price</u>
Food Chopper	4U116	\$ 2,585.00
20 Quart Mixer	7U204	2,445.00
60" Vulcan Range	7S741	4,995.00
Dish Washing System w/Garbage Disposal	278H7	5,500.00
2 s/s Hand Sinks	28-1317	360.00
Ice Machine with Bin	871477	3,845.00
54" Double Door Reach-in Cooler	2V241	2,211.00
54" Double Door Reach-in Freezer	2V243	2,877.00
72" 3 Door Prep Table	860302	2,430.00
5' 9" 3 Keg SS	870925	2,295.00
65 34 CS Bottle Cooler	2Y254	1,265.00
3 Fryer 45CB SS 122,000 BTU	871102	3,240.00
Convection Oven Single Vulcan Gas	7V785	2,745.00
Connection Steamers	n/a	5,700.00
Panasonic Microwave 1.700 Watt	7P821	1,050.00
Toaster 350SL/HR Holman	841613	595.00
Hot Dog Cooker	871211	765.00
Globe Heavy Duty Manuel Slicer	4G416	2,525.00
Food Processor 4 Quart	841376	865.00
4" Add on to Hood System	n/a	11,700.00
Walk-in Cooler with Shelving	n/a	11,800.00
Walk-in Freezer with Shelving	n/a	12,000.00
Small Ware	n/a	3,500.00
2 S.S. Work Tables	n/a	4,700.00
5 Ton Aire Conditioning Unit for Kitchen	n/a	5,800.00
Total Kitchen Equipment		<u>\$ 97,793.00</u>

Exhibit E
Fixture and Equipment

Description of Equipment and Furniture

New Lounge Equipment

<u>Description</u>	<u>Model #</u>	<u>Price</u>
Long Line Draft System	n/a	12,300.00
Linked P.O.S. Cash Register System	n/a	20,000.00
Glass Chillers	n/a	750.00
Beer Coolers	n/a	1,400.00
2 8' S.S., Insulated Beverage Holders	n/a	3,600.00
Ice Bins	n/a	840.00
Blender Station	n/a	800.00
New Barstools	n/a	3,500.00
2 S/S Hand Sinks	28-1317	360.00
2" Triple Sinks	cs1872	2,400.00
2 Outdoor Heating Systems	H6S456	950.00
Air Cooling Water Mister	n/a	1,500.00
Air Curtain System	n/a	7,500.00
(to Separate inside bar from outside)		
Sound and Video Equipment	n/a	45,000.00
Including Large Plasma Flat Screens		
ATM and Internet Machines	n/a	<u>Waiting Proposal</u>
Total Lounge Equipment		\$ 100,900.00

Restaurant Furniture and Equipment

<u>Description</u>	<u>Model #</u>	<u>Price</u>
New Tables and Chairs (Restaurant & Banquet Hall)	n/a	9,000.00
New Linen (Lounge, Restaurant & Banquet Hall)	n/a	1,200.00
6 Chafing Dishes	833468	590.00
Soup Warmer	833127	96.00
Hot and Cold Catering Carriers	n/a	2,300.00
Floor Safe with Drop	8M280	1,130.00
Wireless Security Camera System	9-S-195	8,500.00
Total Restaurant Furniture and Equipment		\$ 22,816.00

Outside Improvements

<u>Description</u>	<u>Model #</u>	<u>Price</u>
Reconfigure Electric Sign on US1	n/a	8,000.00
New Foot & Beverage Vending Machines	n/a	20,000.00
Refurbish Snack Stand (Equipment & Furniture)	n/a	10,000.00
Outside Lights on Building & Parking Lot	n/a	10,000.00
12 Seat Gazebo by Fountain/Lake	n/a	5,500.00
Putting Green with Lights for Customers	n/a	8,500.00
Total Outside Improvements		\$ 62,000.00

Total Expenditure Fixture & Equipment **\$ 283,509.00**

ADDENDUM

ACCOUNTING METHODS AND PROCEDURES

1. Vendor will install a computerized linked point-of-sales (POS) cash register system for all registers in the main restaurant facility and a stand-alone register for the remote refreshment stand. Prior to purchasing and installing linked point of sale computerized system, Contractor will give operating manual of proposed linked point of sale computerized system to Internal Auditor who will review manual to determine proposed POS system has required/equivalent accounting methods and procedures required by City referenced in City's contract. Thereafter, accounting methods and procedures will be updated to reference operating manual for linked computerized POS cash register system to the accounting methods and procedures as linked computerized POS cash register must have equivalent accounting methods and procedures as set forth herein.
2. At start of operations, linked point-of-sales computerized registers will be operated at lounge, and restaurant in golf club house and any other locations at the main restaurant/bar facility on a daily basis. Any additional or replacement registers for the main restaurant/bar facility must be integrated into computerized linked point-of-sale cash register system with prior approval by the city. A stand-alone cash register will be installed at the remote refreshment stand and will not be integrated into the POS cash register system.
3. All daily sales/revenue collected activity for the entire concession will be entered into the linked point-of-sale cash register system to produce daily-computerized sales/revenue reports. Daily summary activity for sales/revenue collected from mobile refreshment cart(s), vending machines, banquet/special events and stand alone cash register at the remote refreshment stand will be entered into the linked cash register system at the golf club house on a gross sales basis. Daily sales for mobile refreshment cart(s), vending machines, banquet/special events and stand alone register at the remote refreshment stand will be recorded on a separate line on daily sales reports. Summarized sales/revenue from same will be recorded on separate guest checks which report alcoholic sales, non-alcoholic sales, tips, cash over/short using appropriate product codes and sales tax rates. Payment totals for cash, checks, credit cards, sales tax and tips collected for all sales activity rung-up on linked cash register system (as above) must be reported on daily sales/revenue recap and reconciled to bank deposits, over and short account, and opening bank change funds. Wages paid to server staff at all locations will not be netted against gross sales.
4. With the exception of mobile cart sales, banquet/special events sales, and vending machine sales, daily detailed cash register journal tapes are to be produced for the bar, restaurant, other main restaurant sales locations, remote refreshment stand to report all transactions including sales, no sales, refunds, voids, promotions, discounts, adjustments. Transactions shall be given a numeric sequence number, which is to be printed on the journal register tape. Guest checks shall be issued for all sales transactions at the bar and restaurant. Dual tape cash register receipt shall be issued for all transactions at the remote refreshment stand.

5. All cash registers must have at least a three position and preferably a four-position transaction counter, which is non-resettable. Numerical accountability must be established over daily tapes using transaction counters, Z totals and Z counters to ensure all transactions and daily sales have been recorded and accounted for. Preferably Z totals shall have current days and prior day's activity reported. Daily tapes shall indicate register location, and time of opening and closing register.
6. System reports, cash register tapes, guest checks, validated refund/adjustment forms, sales summary and balancing reports must be produced by linked cash register system to ensure adequate audit trail to support daily sales reports, monthly, quarterly and yearly sales reports. Daily, monthly and yearly reports of total sales activity must consolidate daily, monthly and yearly sales totals for the annual lease accounting period for all POS registers and the stand-alone register for the remote refreshment stand.
7. Sales tax computed by cash registers must ensure compliance with all state sales tax provisions in force or to be adopted.
8. All checks accepted, as payment must be restrictively endorsed.
9. Separate inventory withdrawal sheets for the remote refreshment stand and mobile refreshment cart should be approved by manager or designee and retained for an adequate period of time to allow sales to inventory reconciliations. Inventory receipt sheets from the mobile cart's return of unsold items at the end of the day should be retained. A semi-annual reconciliation of inventory on hand for the refreshment stand and the mobile refreshment cart shall be made. Quantity differences should be price extended to permit an evaluation of the reasonableness of daily sales reported for the six-month period.
10. Periodic reconciliation's shall be made of cash receipts recorded for deposit to bank statements.
11. All cash register drawers should be required to be closed after each transaction and register access should be restricted to authorized personnel. Cash items should be stored in the register or a secured area with restricted access. Timely deposits of these monies should occur.
12. In order to provide for full accountability over sales, the full amount of the sale should be recorded and any courtesy checks, or gift certificates, etc. should be applied as a credit to the sale. Courtesy checks or gift certificates should be retained with the appropriate day's documentation to support credits to sales.
13. All revenues shall be listed by type on daily, monthly and annual reports. For special events and banquets, the name of the event, event date, number of patrons to be served, flat rate per person, name, address and phone number of contact person, for event, deposit amount and date, balance due, and sale tax shall be recorded on a bill to support collected revenues. Separate guest checks shall be prepared to ring-up deposit and balance due collected when

received; guest checks shall be cross-referenced to event bill and entered into linked cash register system.

14. A separate bank checking account should be used for the operation of restaurant concession and only for revenues/expenses directly relating to the concession operation. A separate bank account shall be used for personal expenses which are not business related.
15. All cash register equipment at all sales locations should be timely repaired and maintained in operable order at all times. Any long-standing inoperable cash register should be replaced with equipment approved by city staff prior to purchase. The grand total of all gross sales by type shown on a cash register tape before the register became inoperable shall be totaled using a calculator and entered into the other linked cash register, if operable. Back-up recovery procedures shall be developed for computerized system outages. During computer outages, manual guest checks will be issued and subsequently entered on an individual basis after the computerized system is placed back in operation. Partial register tapes and guest checks issued before and during computer outages to support sales activity shall be retained for the specified retention period. A log of register or computer system outages shall be record date of outage, date of vendor repair, vendor name/invoice, description of problem, dollar amount and date recovered sales/revenue transactions were entered into computerized cash register.
16. With the exception of the mobile refreshment cart(s) and the remote refreshment stand, guest checks will be issued at main restaurant/lounge facility and retained for at least twelve months. All other records from operation of the concession should be kept for the State retention period of 3 years.
17. The City reserves the right to request copies of monthly state sales tax returns and remittances as well as a copy of the federal tax returns which shall be timely submitted if requested.
18. Restaurant foodstuff, supplies, and expenses which are collected on delivery (COD) shall be paid by business check whenever possible or paid from cash register receipts and formally recorded on a daily receipt/deposit reconciliation form. The amount of the (COD) expense/vendor name and invoice number will be recorded. Also, adequate documentation will be retained to support the recording of any disbursement paid from cash register receipts or mobile refreshment cart receipts.

POINT OF SALE CASH REGISTER SYSTEM REQUIREMENTS

1. **Total Sales Activity Reports for the Business Entity**

The system must report total sales for the business entity on a daily and yearly basis. The system must produce system-wide daily and yearly aggregate sales totals.

2. **Consolidated Daily Sales Journal & Sales Recap Report**

The system must be capable of producing a daily sales journal which details sales by cash register location and by sales categories, departments, product codes, etc. Computerized production of daily sales/revenue report will be done by ringing-up daily sales/revenue collected from mobile refreshment cart(s), banquet/special events, vending machines and the remote refreshment stand on separate guest checks and entering summary sale totals into linked cash register at main restaurant on a gross sales basis via product codes and correct sales tax rates. Payment totals for cash, checks, credit cards for all daily sales/revenue collected must be rung-up on linked cash register system and reported on a daily sales/revenue recap report and reconciled to bank deposits, over/short account, and opening bank change funds.

3. **System Controls Over Linked Point of Sale Cash Registers**

The system must control the processing of daily sales transactions for point of sale registers by:

- A. daily recording the number of cash registers to monitor additions and deletions of cash register equipment;
- B. daily recording the location of registers so sales/revenue from all point of sale cash registers are separately accounted for and reconciled, and consolidated and reconciled;
- C. taking/recording daily X tape and Z tape register readings from all point of sale cash registers and cash drawer to ensure all sales are recorded;
- D. taking/recording the time and number of cash register closeouts and cash drawers performed for each register in a calendar day to ensure all sales are recorded;
- E. producing cash register balancing/summary sales reports for each cash register and combining same on a daily basis to produce a global daily sales activity recap report or sales journal with break-down detail, for example, sales dollars and transaction counts by revenue source (category, department, product code, price look up codes);
- F. requiring each point of sale cash register to produce an audit trail for each sales transaction and sale adjustment, refund, etc. through the printing and validation of a guest check, duplicate cash register receipt, refund/adjustment form;
- G. not permitting point of sale cash registers to operate (realize sales) out of an open drawer.

4. System Reports, Cash Register Tapes, Guest Checks Available
The system must produce an adequate audit trail to support daily reported sales, all adjustments to sales, and reconciliation of sales including but not limited to cash register tapes, guest checks, sales journals, sales summary and balancing reports, etc.
5. Vendor maintenance & Support to Minimize System down Time
The vendor must have the necessary hardware/software maintenance support (agreements) to ensure the immediate repair and/or replacement of equipment such that overall system and modular cash register/printer down time is minimized. The respective costs to be absorbed by the vendor versus the customer for vendor maintenance and equipment repairs shall be stated.
6. System Should Be Programmed To User's Specifications
System should be able to be programmed to user specifications to ensure the reports and accounting controls serve the need of the golf course restaurant operator and City.
7. System Printouts
System should be able to print cash register reports on narrow register paper and capable of being off-loaded to a personal computer which could then print management reports on normal 8 1/2" X 11" or legal size forms. This ability promotes management reporting.
8. Transaction Logging, Backup Hardware For System Configuration
The system must require that all transactions are logged and recorded. The system shall be configured so that the failure of a singular cash register or printer will not disrupt the computerized processing of transactions for the linked point of sale system. In addition, the system shall have adequate power interruption protection against power surges/outages to promote the integrity of recorded sales.
9. Vendor Maintenance & Support To Minimize System Down Time
The vendor must have the necessary hardware / software maintenance support (agreements) to ensure the immediate repair and / or replacement of equipment such that overall system and modular cash register / printer down is minimized. The respective costs to be absorbed by the vendor versus the customer for vendor maintenance and equipment repairs shall be stated.
10. Backup Recovery Procedures And System Documentation
System documentation must be provided to evidence detailed operating procedures to be followed by the user to bring the system back up on line and to show system's backup recovery procedures ensures no loss of transactions, and control totals and related information.

Vendor should provide methodology for golf course restaurant operations to continue while the system is down and for entering such sales / transactions when the computer system becomes operational again.

11. System Capacity

The minimum and maximum number of multiple points of sale registers that can be configured in the system should be stated.

12. Linked Point Of Sale cash Register Controls

The following is a listing of the control requirements for each cash register in the system:

A. Z Counter/Z Totals

All cash registers must have at least a three position and preferably a four-position transaction counter, which is non-resettable. Numerical accountability must be established over daily tapes using transaction counters, Z totals and Z counters to ensure all transactions and daily sales have been recorded and accounted for. Preferably Z totals shall have current days and prior day's activity reported. Daily tapes shall indicate register location, and time of opening and closing register. Summary Z totals should be printed for all sales by product code and include totals for no sale, merchandise return and void transactions.

B. Grand Totals – Dollars

The register is to have a non-resettable counter for the grand total dollar volume. The grand total is to be printed at the time the Z totals are printed.

The grand total printout must include the total of the current day transactions as well as the new cumulative life to date transaction grand totals. The prior day's cumulative grand totals should be included.

C. X Totals

The X tape totals should be the same basic totals as the Z totals and the grand totals outlined above.

D. Date and Time-of-Day

The register must automatically print the time-of-day and the current date for all transactions and X and Z readings.

E. Transaction Counter For Sales, Adjustments On Register Tape

All cash registers must have at least a three position and preferably a four-position transaction counter, which is non-resettable. Numerical accountability must be established over daily tapes using transaction counters, Z totals and Z counters to ensure all transactions and daily sales have been recorded and accounted for. Preferably Z totals shall have current days and prior day's activity reported. Daily tapes shall indicate register location, and time of opening and closing register.

All transactions including all sales, no sale, merchandise return and void transactions, should be given a numeric sequence number. This number is to be printed on the journal register tape and the customer receipts.

F. Cash Register Journal Tape

A detailed cash register journal tape is to be produced for all transactions. The Z totals including the Z counter and the grand total dollar counter are to be included on the journal register tape.

G. Customer Receipts – Cash Register Tape or Guest Check

The register must have the capability of producing a printed customer sales receipt which includes the date and time and transaction number or a numerically controlled guest check which also prints date, time and transaction number.

H. Sales Tax Reporting

If sales tax is to be computed via the cash register then separate totals must be produced to account for all sales categories and related sales tax applicable for those sales. If the sales tax is included in the pre-set price, then the sale tax total can be manually calculated.

I. Operator/Teller Keys

There should be separate register keys for the register operators and the teller responsible for taking Z totals and balancing the register.

J. Cash Drawer – No Sale Transactions

The cash register drawer should be required to be closed after each transaction. The register should take a transaction count of the number of no sales to control the number of unnecessary drawer openings.

K. Revenue Codes

The cash register must provide the capability for all revenue sources to be recorded by separate revenue source codes. Department codes, price look up (PLU) key, menu keys or other similar reporting capabilities should be able to accumulate and account for all sales products.

13. Linked Point Of Sales Cash Register System

The system must accommodate current and future sales needs below:

- linked POS cash registers (below) at main lounge, restaurant, other main restaurant facility locations must have ability to order additional rounds of drinks / food on open tab see below
- 1 main bar register with hard guest check printer (alcoholic & non-alcoholic items); ability to send food order to kitchen; credit card magnetic sales reader
- 1 main fine food restaurant register with hard guest check printer, credit card magnetic sales reader, 40-60 non-alcoholic food / beverage and alcoholic beverage keys; ability to send food order to kitchen, and modem to communicate with remote refreshment stand linked register

- 1 kitchen printer to received food orders from lounge or main restaurant servers
 - 1 back-up register if entire system fails when a single cash register station is down
- A. Direct communication link / printer for food orders from 2 servers / bartenders stations to kitchen
- B. Server reporting / daily balancing / closing of tabs / tips
- C. Personal Computer link software ability – system must be able to link with personal computer hardware / software
- D. Processing of food orders and changes to food orders from lounge / restaurant workstations to restaurant kitchen
- E. Cabling and wiring
- F. Training staff after system is installed

TO BE COMPLETED BY ORIGINATING DEPARTMENT

Date Bond Received: 1-14-05 Amount of Bond: \$10,000.00
 Bond Received By: Parks and Recreation Anne Holladay
 (Department) (Employee)
 Bond Received From: (Name) PG's on The Green (Pat Caluppi) (Phone) 954-240-481
 (Address) 1838 SW 6 Court
 (Address) Boca Raton, FL 33486

BOND:

Purpose (Circle one): Cap. Project* Event Bid Other None Agree
 Category (Circle one): Performance Payment Ord. 2005-
 Type (Circle one): Cash Letter of Credit Surety
 Legal Basis: Ord. # _____ Res. # _____ Contract # _____

*Project Number: _____ Project/Event Name: _____
 *Plat Number: _____ Est. Completion/Event Date: _____
 Third Party Indemnifier: _____
 (Name of Surety or Bonding Company)
 Expiration Date of Bond: _____ (If applicable)

(*) HAS BOND BEEN REVIEWED AND APPROVED BY THE CITY ATTORNEY? YES NO

TO BE COMPLETED BY TREASURY DIVISION ONLY

SMITH BARNEY

citigroup

Smith Barney Financial Center, 595 S. Federal Hwy., 4th Floor, Boca Raton, FL 33432

VOID AFTER 180 DAYS
FROM ISSUANCE

Bank of America Customer Connection
 Bank of America, N.A.
 Atlanta, Dekalb County, Georgia

EXACTLY 10 THOUSAND DOLLARS NO CENT

Pay to the order of

CITY OF BOCA RATON

Date: 01/14/05 Amount Number: 100 05/52113

Authorized Signature

Authorized Signature

Two Signatures Required if Over \$25,000.00

PG's on The Green - Cash Deposit

"0600121784" "061112788" 010 115 5530"

Reason, if not approved: _____

Forwarded to Treasury Division By: _____ Date: _____

TO BE COMPLETED BY TREASURY DIVISION ONLY

Received in Treasury _____ Approval Logged In By _____
 Forwarded to City Clerk _____ Copy sent to Orig. Dept. _____

TO BE COMPLETED BY CITY CLERK'S OFFICE ONLY

Received By/Date _____ File (Identifying) Number _____
 6/90

