

**LEASE AGREEMENT**

THIS IS A LEASE AGREEMENT (hereinafter "Lease"), made and entered into this  
\_ 2nd day of July, 2013, by and between:

**CITY OF FORT LAUDERDALE**, a municipal corporation of  
the State of Florida, 100 North Andrews Avenue, Fort Lauderdale,  
FL 33301 (hereinafter "LESSOR" or "CITY"),

and

**BROWARD COUNTY MINORITY BUILDERS  
COALITION, INC.**, a Florida not-for-profit corporation, FEI/EIN  
No. 237170674, whose principal address is 665 SW 27<sup>th</sup> Avenue,  
Suite #16, Fort Lauderdale, FL 33312 (hereinafter "LESSEE").

WITNESSETH:

WHEREAS, the Leased Premises consists of two Parcels, one, a duplex located at 1145  
NW 5<sup>th</sup> Avenue, Fort Lauderdale, FL ("Parcel One") and the second, a triplex, located at 1200  
N.W. 3<sup>rd</sup> Street, Fort Lauderdale, FL ("Parcel Two"); and

WHEREAS, the LESSEE is a not for profit organization I.R.S. Section 501 (c) (3)  
corporation chartered for the purposes of enhancing the construction industry in Broward County  
by ensuring the active participation of highly capable minority and women-owned businesses  
(M/WBE) in contracting, by expanding the opportunities for highly skilled citizens to join the  
local construction labor force; and

WHEREAS, among other matters, LESSEE participates in a Community Improvement  
Program which assists in improving and maintaining owner-occupied housing to correct Code  
violations which prevents further deterioration and stops the loss of energy and infiltration of  
outside elements; and

WHEREAS, through the City's Housing and Community Development Division,  
LESSEE has rehabilitated Parcel One and Parcel Two using Community Development Block  
Grant (CDBG) funds; and

WHEREAS, Parcels One and Two were rehabilitated with the intention that they would  
provide rental opportunities for low- to moderate-income households according to CDBG  
criteria;

WHEREAS, CITY finds that LESSEE and LESSEE's activities serve a significant public  
purpose and CITY wishes to encourage and assist same; and

WHEREAS, the City of Fort Lauderdale does not lease or manage residential property  
and intends on leasing Parcels One and Two to a local not-for-profit organization that has

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

experience in working with low- to moderate-income households to provide housing opportunities; and

WHEREAS, because the City must rent the housing units to low- to moderate-income households and the Broward County Minority Builders Coalition, Inc. works with low- to moderate-income individuals and households, it is deemed by the City Commission that partnering with Broward County Minority Builders Coalition, Inc. for the purpose of leasing Parcels One and Two for re-leasing for residential use by low- to moderate-income households is in the best interests of the City of Fort Lauderdale; and

WHEREAS, the City Commission adopted Resolution No. 13-63 on April 16, 2013 pursuant to City of Fort Lauderdale Charter Section 8.13 declaring its intent to lease for a term of five (5) years Parcels One and Two to Broward County Minority Builders Coalition, Inc. to be rented to low- to moderate-income households residential occupancy; and

WHEREAS, in accordance with City Charter Section 8.13, a Public Hearing was held before the City Commission at the June 4, 2013 Regular Meeting of the City Commission for the purpose of permitting citizens and taxpayers the opportunity to review the proposed lease and object to the execution, form or conditions of the proposed lease and, if the City Commission, after receiving input from the citizens and taxpayers, is satisfied with the terms and conditions of the proposed lease, adopts a Resolution authorizing execution of the lease with Broward County Minority Builders Coalition, Inc.; and

WHEREAS, the City Commission of the City of Fort Lauderdale authorized execution of this Lease by adoption of Resolution No. 13-113 at a Public Hearing at its Regular Meeting of June 4, 2013.

NOW THEREFORE, in consideration of the mutual covenants exchanged herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the LESSOR and LESSEE agree as follows:

## ARTICLE 1.

### LEASE OF LEASED PREMISES

**1.1. Lease.** On the terms and conditions set forth in this Lease, and in consideration of the LESSEE's periodic payment of rents and performance of all other obligations and terms of this Lease, as of the Effective Date (hereinafter defined) the LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR and LESSOR grants LESSEE a possessory interest in and to the Leased Premises described below for the Term of the Lease subject to the terms and conditions set forth in this Lease.

**1.2. Leased Premises.** The Leased Premises that LESSOR leases to LESSEE and LESSEE rents from LESSOR is described as follows:

#### PARCEL ONE

Lots 1 and 2, Block 134 of PROGRESSO, according to the Plat thereof, as recorded in Plat Book 2, Page 18 of the Public Records

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

of Dade County, Florida; said lands situate, lying and being in Broward County, Florida.

Folio # 4942 34 03 7570

(Street Address: 1145 N.W. 5<sup>th</sup> Avenue, Fort Lauderdale, FL)

**PARCEL TWO**

Lot 22, Block 3, of SEMINOLE FOREST, according to the Plat thereof, as recorded in Plat Book 14, Page 16 of the Public Records of Broward County, Florida; said lands lying, situate and being in Broward County, Florida.

Folio # 5042 04 20 0450

(Street Address: 1200 N.W. 3<sup>rd</sup> Street  
Fort Lauderdale, FL)

Whenever used herein, the term "Leased Premises" shall include the real estate described above and all attachments and improvements and appurtenances thereto now existing or hereafter constructed.

LESSEE hereby leases the Leased Premises from LESSOR subject to, and LESSEE hereby agrees to comply with: (i) all applicable building codes, zoning regulations, and municipal, county, state and federal laws, ordinances and regulations governing or regulating the Leased Premises or its use by Lessee; (ii) all covenants, easements and restrictions of record; and (iii) the terms, conditions and restrictions contained herein.

**1.3. Limitations on Grant of Possessory Interest.** It is expressly found by the LESSOR's City Commission that this Lease furthers and serves a valid municipal purpose. Except to the extent modified by the terms of this Lease, the grant of possessory interest by LESSOR to LESSEE is subject to the following:

**1.3.1** Each condition, restriction and limitation recorded against the Leased Premises as of the date a Memorandum of this Lease is recorded in the Public Records of Broward County, Florida

**1.3.2** Existing or future land planning, land use or zoning laws, building codes, ordinances, statutes or regulations of any governmental entity or agency for the United States of America, State of Florida, Broward County or City of Fort Lauderdale, or any other governmental agency having jurisdiction over the Leased Premises and with legal authority to impose such restrictions.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

1.3.3. Each question of title and survey that may arise in the future, but LESSEE acknowledges that it has had the opportunity to examine the boundary lines and the LESSOR's present title, and that it is satisfied with respect to the accuracy and sufficiency of both.

1.3.4. LESSEE's satisfactory performance of all of the terms and conditions contained in this Lease.

1.3.5. Underground and overhead utilities facilities, including, but not limited to, water, wastewater, stormwater and electrical lines, telephone and telecommunications facilities lines and septic tank, if any.

1.4. **Quiet Enjoyment.** Except as otherwise expressly set forth herein, LESSOR represents and warrants that it has full right and authority to enter into this Lease and that LESSEE, while paying the Rent and performing its other covenants and agreements herein set forth, shall peaceably and quietly have, hold and enjoy the Leased Premises for the term hereof without hindrance or molestation from Landlord subject to the terms and provisions of this Lease.

1.5. **Contract Administrator.** The Contract Administrator for LESSOR under this Lease shall be the City's Director of Sustainable Development, Greg Brewton, or his successor. In the administration of this agreement, as contrasted with matters of policy, all parties may rely upon instructions or determinations made by the Contract Administrator.

## ARTICLE 2.

### TERM OF LEASE

2.1. **Term.** The Term of this Lease commences on the "Effective Date" and runs for a period of **five (5)** years thereafter, unless the parties terminate the Lease earlier.

2.2. **Effective Date.** The Effective Date of this Lease shall be **July 15, 2013**.

2.3. **Renewal Option** Provided that the Lease is in full force and effect, and LESSEE has not in default of any of the terms, covenants, or conditions of the Lease, LESSEE shall have the option (the "**Extension Option**") to extend the terms of the Lease for **one (1) additional five (5) year extension term** (the "**Extension Term**"), commencing on the day after the expiration date of the initial lease term in accordance with and subject to the terms, covenants, and conditions hereinafter set forth.

2.3.1 LESSEE shall exercise the Extension Option by sending a written notice thereof (the "**Extension Notice**") to the LESSOR on or before the date that is two (2) months prior to the expiration date of the preceding Lease Year, time being of the essence. If LESSEE shall send the Extension Notice within the time and in the manner herein above provided, the term of the Lease shall be deemed extended for the Extension Term upon the terms, covenants, and conditions hereinafter contained in paragraph (b)

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

(2), below. If LESSEE shall fail to send the Extension Notice within the time and in the manner herein above provided, the Extension Option shall cease and terminate, and LESSEE shall have no further option to extend the term of this Lease.

**2.4. Recordation Memorandum of Lease.** A Memorandum of Lease, to be executed by both parties contemporaneous with the execution of this Lease, shall be recorded by LESSEE, at Lessee's expense, in the Public Records of Broward County, Florida on or about the Effective Date of this Lease.

### ARTICLE 3.

#### RENT AND ADDITIONAL PAYMENTS

**3.1. Amount and Payment of Rent.** As rent for the Leased Premises, LESSEE shall pay to LESSOR the annual rent of One Dollar and (\$1.00) zero / 100 cents commencing with the Effective Date of this Lease and continuing each and every successive anniversary date thereafter through the balance of the Lease Term. Rent shall be payable to **City of Fort Lauderdale** and delivered to City of Fort Lauderdale, Housing & Community Development, 700 N.W. 19<sup>th</sup> Avenue, Fort Lauderdale, FL 33311, Attn: Jonathan Brown, or his successor.

**3.2. Sales Tax.** To the extent required by law, LESSEE shall pay to Landlord the equivalent of six percent (6%) of all amounts paid as Rent hereunder, which sum is to be paid to the State of Florida by the LESSOR in respect of sales or use taxes. Should such tax rate change under the Florida Sales Tax Statute or other applicable statutes, LESSEE shall pay LESSOR the amounts reflective of such changes. To the extent applicable, LESSEE shall pay LESSOR in conjunction with all sums due hereunder, any and all applicable sales, use or other similar tax and any interest or penalties assessed therein ("Sales Tax") simultaneously with such payment.

**3.3. Taxes, Fees, Special Assessments, etc.** Except as otherwise provided in this Lease, beginning on the Effective Date, all costs, expenses, sales or use taxes, or taxes of any nature or kind, special assessments, connection fees, and any other charges, fees or like impositions incurred or imposed against the Leased Premises, to the extent applicable, or any use thereof, including revenue derived therefrom, and any costs, expenses, fees, taxes or assessments in or upon the real property or improvements constructed thereon shall be made and paid by LESSEE in accordance with the provisions of this Lease, it being the intent of the parties that, except as may be specifically provided for herein, LESSEE is responsible for paying all the expenses and obligations that relate to the Leased Premises or any improvements thereon and that arise or become due during the Term of this Lease.

**3.4 Additional Rent Payments.** In addition to the annual rent due under Section 3.1 and sums due under Sections 3.2 and 3.3 hereof, all other payments that LESSEE is obligated to make under this lease shall be considered "**Additional Rent**" regardless of whether the payments are so designated. All additional payments are due and payable within thirty (30) days after rendition of a statement therefor.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**3.5. Utility or service charges.** Except as hereinafter provided, LESSEE agrees to pay all charges for rent, utility service charges including, but not limited to gas, electricity, telephone, telecommunications or other illumination, heating, air conditioning, water & sewer, storm water utility fees, and other similar service charges attributed to the Leased Premises. If any of these charges remain unpaid after they become due, LESSOR may exercise its remedies as set forth in Article 11 of this Lease. LESSOR shall not be liable to LESSEE for damage or otherwise because of LESSEE's failure to arrange for or to obtain any utilities or services referenced above for the Leased Premises that are supplied by parties other than the CITY. No such failure, interruption or curtailment may constitute a constructive or partial eviction. Notwithstanding anything herein to the contrary, LESSOR shall bear the cost and expense of providing four (4) separate water meters to Parcel Two.

**3.6. Lessee's Responsibilities regarding Governmental Charges or services giving rise to liens.** Subject to the provisions of Section 3.8 respecting LESSEE's right to challenge the validity of any tax, tax claim, assessment, fee or other governmental charge against the Leased Premises, the use thereof, improvements thereto or personalty located thereon, the LESSEE must pay all taxes and other governmental fees, charges or assessments that are related to the Leased Premises or personalty situated thereon or operations conducted thereon and that arise during the Lease Term. LESSEE shall pay all such taxes and other charges when due and before any fine, penalty, interest or other cost is added, becomes due, or is imposed by operation of law for nonpayment. These taxes and other charges include, but are not necessarily limited to the following:

- (a) All taxes, assessments, water, sewer, connection fees, garbage rates and charges, public utility charges, excise levies, licenses and permit fees;
- (b) All such charges whether they are general or special, ordinary or extraordinary, foreseen or unforeseen, imposed upon the Leased Premise or use thereof or improvements thereto or personalty situated thereon;
- (c) All such charges that are assessed, levied, confirmed or imposed upon the Leased Premises or use thereof or improvements thereto or personalty situated thereon;
- (d) All such charges that arise from, become payable from or with respect to, or become a lien on any of the following:
  1. All or any part of the Leased Premises or use thereof or improvements thereto or personalty situated thereon;
  2. All or part of the improvements on the Leased Premises or personalty situated thereon;
  3. Any appurtenance to the Leased Premises;

Lease Agreement

Lessor: City of Fort Lauderdale.

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

4. The rent and income received by the LESSEE from any subtenant;
5. Any use or occupation of the Leased Premises;
6. Any document to which the LESSEE is a party and that creates or transfers an interest or estate in the Leased Premises;
7. Sales or use tax arising from LESSEE's operations; or
8. Any taxes or charges applicable to the rents paid under this Lease.

**3.7. Payments and Receipts.** LESSEE must deliver to LESSOR official receipts that show payment of all charges required under this Article. These receipts must be delivered to the place where the rental payments are to be made. The LESSEE shall pay every tax or other charge required to be made under this Article and shall deliver the receipts to LESSOR at least thirty (30) days before the charge or tax becomes delinquent under the law then governing payment of the tax or other charge, unless the tax or charge is challenged by LESSEE in accordance with Section 3.8 of this Lease.

**3.8. Lessee's Challenge of Tax.** LESSEE may contest the validity of any tax, tax claim, or charge or assessment, described herein without being in default for nonpayment of taxes under this Lease, provided LESSEE complies with terms and conditions of this Section. The LESSEE must give LESSOR written notice of LESSEE's intention to contest. LESSEE must also furnish LESSOR with a bond with surety by a surety company qualified to do business in the State of Florida or cash paid into escrow and held by LESSOR. The bond or cash must be in an amount that is 1.5 times the amount of the taxes, claim, charge or assessment being contested and must be conditions upon payment of the taxes, claim, charge or assessment once the validity has been determined. LESSEE must give the written notice accompanied by evidence of the bond or escrow to LESSOR not later than sixty (60) days before the contested taxes would otherwise become delinquent.

**3.9. LESSOR'S Remedy For LESSEE'S Nonpayment.** If LESSEE fails, refuses, or neglects to pay any taxes, fees, assessments or other governmental charges under this Article, unless challenged as provided in Section 3.8 of this Lease, the LESSOR may pay them. On the LESSOR's demand, the LESSEE must pay the LESSOR all amounts LESSOR has paid, plus expenses and attorney's fees reasonably incurred in connection with such payments, together with interest at the rate of twelve (12.0%) per cent per annum from the date LESSOR paid such outstanding taxes, fees, assessments or other governmental charges, up to but not exceeding the maximum rate of interest allowable under Florida law. On the day the LESSOR demands repayment or reimbursement from LESSEE, the LESSOR is entitled to collect or enforce these payments in the same manner as a payment of rent. The LESSOR's election to pay the taxes, fees, assessments or other governmental charges does not waive the LESSEE's default.

**3.10. Cost Recovery and Fees.**

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**3.10.1. Annual Inspections.** LESSOR shall conduct annual inspections of the Leased Premises at LESSOR'S sole cost and expense.

**3.10.2. Recovery of Additional Costs of Administration.** In addition to the annual inspection fees set forth above, LESSEE shall also be obligated to pay additional fees to the LESSOR amounting to the recovery of reasonable costs incurred by LESSOR in its propriety capacity as LESSOR, as opposed to its governmental regulatory capacity, in the administration, monitoring and enforcement of the Lease, including, but not limited to, staff time incurred in the examination of the plans and specifications for additions, modifications, renovations or demolition of leasehold improvements, inspections to determine if the construction is in accordance with the approved plans and specifications approved by the Office of the City Engineer, and reasonable cost of CITY attorneys' services associated with the preparation and administration of the Lease and any amendments thereto and including enforcement of the terms thereof.

**3.10.3. Rendition of Statement.** Upon the CITY providing a statement of fees and/or costs to LESSEE, LESSEE shall pay CITY within thirty (30) days the amounts owed in accordance with the Statement. The Statement shall provide sufficient line item detail as to the nature of the cost, services rendered, dates services rendered, time consumed and cost relating to each line item. For each month beyond thirty (30) days from rendition of the Statement to LESSEE for which the fee remains unpaid, simple interest of one percent (1%) per month shall be due the CITY, but no more than the lawful amount of interest under Florida law. If a dispute arises as to the fees owed CITY under the Statement, and such dispute is not resolved within ninety (90) days after the date of rendition of the Statement, LESSEE shall pay the undisputed amount and shall provide CITY with a bond or other security acceptable to the City Manager for the disputed amount pending a resolution of the dispute by negotiation or litigation. In addition to any other remedies available to CITY, CITY shall be entitled to recover from LESSEE all costs of collection, including reasonable attorneys' fees and court costs incurred at all tribunal and appellate levels, provided CITY ultimately prevails.

#### ARTICLE 4.

#### USE OF PREMISES

**4.1. Permissible Uses.** LESSEE may use the Leased Premises to rent the dwelling units therein for residential use by subtenant to low- to moderate-income households as hereinafter defined and no other use. Except with respect to the suspension of possessory interest under force majeure under Section 12.21, in the event the Leased Premises cease being used for such purposes as stated herein, this Lease shall terminate.

**4.2. Compliance With Regulations of Public Bodies.** LESSEE covenants and agrees that it shall, at its own cost and expense, make such improvements on the Leased Premises, perform such acts and do such things as shall be lawfully required by any public body having jurisdiction over the Leased Premises, in order to comply with the requirements relating to sanitation, fire hazard, zoning, setbacks, historic designation regulations, environmental

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Rc: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street



requirements and other similar requirements designed to protect the public, worker and residential use environments. LESSEE shall not use the Leased Premises, nor shall the Leased Premises suffer any such use during the Term of this Lease, which is in violation of any of the statutes, laws, ordinances, rules or regulations of the federal, state, county, municipal government or any other governmental authority having jurisdiction over the Leased Premises.

**4.3. Site Plan; Plans and Specifications.** In the event LESSEE desires or plans to undertake renovations to the Leased Premises, it shall do so at its own cost and expense in order that the Leased Premises may continue to be used as set forth in Section 4.1 hereof. As a condition precedent to such renovations LESSEE shall submit to the City Engineer a Leasehold Site Plan, including floor plans, building footprint and all elevations of the proposed renovations, including plans and specifications therefor, for approval by the City Engineer and recommendation to the City Commission. The approved site plan shall be retained on file in the Office of the City Engineer and the City Engineer shall provide notice to LESSEE of such approved site plan.

**4.4. Improvements.** LESSEE shall not construct any improvements upon the Leased Premises that are not reflected on the approved Leasehold Site Plan without LESSOR's express written consent as set forth in Section 4.3 above. LESSEE shall not construct any improvements, nor perform any alteration, modification or demolition of improvements upon the Leased Premises without first (i) providing the City Engineer with a complete set of plans and specifications therefor and (ii) securing from the City Engineer written approval indicating that the proposed construction, alteration, modification or demolition is acceptable. As a condition of acceptance the City Engineer may impose reasonable conditions. The City Engineer shall not unreasonably withhold written approval of the plans and specifications for construction, alteration, modification or demolition of improvements. Any improvements constructed upon the Leased Premises shall be at the LESSEE's sole cost and expense. Upon expiration or termination of this Lease, any improvements constructed on the Leased Premises shall remain with the Leased Premises, unless the City Engineer directs that such improvements or portions thereof be demolished, in which case LESSEE shall demolish such improvements or portions thereof as directed by the City Engineer and shall do so at its own cost and expense.

**4.5. Alterations, Additions, Modifications or Demolitions.** LESSEE shall not make any alterations, additions, modifications or demolitions to the Leased Premises that are not in accordance with the process outlined in Section 4.3 or 4.4 above.

**4.6. Liability for Personal Property.** All personal property placed or moved onto the Leased Premises is at the sole risk of LESSEE or other owner of such personal property. LESSOR shall not be liable for any damage to such personal property, or for personal injuries to LESSEE or any of LESSEE's subtenants, agents, servants, employees, contractors, guests or invitees or to trespassers on the Leased Premises that arise from any person's tortious acts or omissions, regardless of the status of the person; provided, however, that if the damage or injury is caused by LESSOR's tortious acts or omissions, then, to the extent the damage or injury in question is caused by LESSOR's tortious acts or omissions, then LESSEE's liability to LESSOR hereunder shall be proportionately abated.

**4.7. Liability for Damages or Injuries.** LESSOR shall not be liable for any damage or injury incurred or sustained in, on or about the Leased Premises when such damage or injury results from the tortious acts or omissions of any person, including LESSEE's guests, invitees, servants, agents, employees or contractors or trespassers on the Leased Premises; provided, however, that if the damage or injury is caused by LESSOR's tortious acts or omissions, then, to Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

the extent the damage or injury in question is caused by LESSOR's tortious acts or omissions, then LESSEE's liability to LESSOR hereunder shall be proportionately abated.

4.8. **ADA.** LESSEE shall have the continuing obligation of compliance with the Americans With Disabilities Act, as same may be amended from time to time, with respect to the Leased Premises

## ARTICLE 5

### HAZARDOUS SUBSTANCES

5.1. **Definitions.** For the purpose of administering this Article, the following terms shall have the meaning as set forth below:

(a) *Environmental Agency* means a governmental agency at any level of government having jurisdiction over Hazardous Substances and Hazardous Substances Laws and the term as used herein shall also include a court of competent jurisdiction when used as a forum for enforcement or interpretation of Hazardous Substances Laws.

(b) *Hazardous Substances* means any hazardous or toxic substances, materials or wastes, including, but not limited to those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table, 49 CFR 172.101 or by the Environmental Protection Agency as hazardous substances, 40 CFR Part 302, as now in effect or as same may be amended from time to time, or such substances, materials and wastes which are not or hereafter become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated byphenyls, (iv) radon, (v) any substance designated as a "hazardous substance" pursuant to Sec. 311 of the Clean Water Act, 33 U.S.C. Sec. 1251, et seq. or listed pursuant to Sec. 307 of the Clean Water Act, 33 U.S.C. Sec. 1317, (vi) defined as "hazardous waste" pursuant to Sec. 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901, et seq., (vii) defined as a "hazardous substance pursuant to Sec. 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601, et seq., or (viii) designated as a "hazardous substance" as defined in Chapter 403, Part IV, Florida Statutes, or (ix) any other similar federal, state or local regulations.

(c) *Hazardous Substances Laws* means all local, state and federal laws, ordinances, statutes, rules, regulation and orders as same may now exist or may from time to time be amended, relating to industrial hygiene, environmental protection and/or regulation, or the use, analysis, generation, manufacture, storage, disposal or transportation of Hazardous Substances.

5.2. **LESSOR'S Consent Required.** After the Effective Date no Hazardous Substances shall be brought upon or kept or used in or about the Leased Premises by any person whomsoever, unless LESSEE first obtains written consent from the LESSEE's City Engineer. Those substances used by LESSEE in the normal course of its business in accordance with that list set forth on file in the Office of the City Engineer made a part hereof may be brought upon or kept or used in, on or about the Leased Premises and the use thereof upon the Leased Premises is hereby approved by LESSOR.

5.3. **Compliance With Hazardous Substances Laws.** During the Lease Term, and with respect to Hazardous Substances brought onto the Leased Premises by any person

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

whomsoever other than LESSOR, its agents, employees, contractors or licensees, LESSEE shall have the absolute responsibility to ensure that the Leased Premises are used at all times and all operations or activities conducted thereupon are in compliance with all Hazardous Substances Laws. With respect to Hazardous Substances brought on the Leased Premises during the Lease Term by any person whomsoever, other than LESSOR, its agents, employees, contractors or licensees, LESSEE shall be absolutely liable to LESSOR for any violation of Hazardous Substances Laws.

#### **5.4. Hazardous Substances Handling.**

(a) With respect to Hazardous Substances brought onto the Leased Premises during the Lease Term by any person whomsoever, other than LESSOR, its agents, servants, employees, contractors or licensees, LESSEE shall ensure that any and all activities conducted upon the Leased Premises by any person other than LESSOR, its agents, servants, employees, contractors or licensees be conducted only in compliance with all Hazardous Substances Laws and all conditions of any and all permits, licenses and other Environmental Agency approvals required for any such activity conducted upon the Leased Premises.

(b) LESSEE covenants that in any activities conducted upon the Leased Premises by any person whomsoever, other than LESSOR, its agents, servants, employees, contractors or licensees, that Hazardous Substances shall be handled, treated, dealt with and managed in conformity with all applicable Hazardous Substances Laws and prudent industry practices regarding management of such Hazardous Substances.

(c) Upon expiration or earlier termination of the term of the Lease, LESSEE shall cause all Hazardous Substances which are brought upon the Leased Premises subsequent to the Effective Date by any person whomsoever, other than LESSOR, its agents, servants, employees, contractors or licensees, to be removed from the Leased Premises and to be transported for use, storage or disposal in accordance and in compliance with all applicable Hazardous Substances Laws; provided, however, that LESSEE shall not take any remedial action in response to the presence of Hazardous Substances in or about the Leased Premises, nor enter any settlement agreement, consent decree or other compromise in respect to any claims relating to any Hazardous Substances Laws in any way connected with the Leased Premises, without first notifying LESSOR of LESSEE's intention to do so and affording LESSOR reasonable opportunity to appear, intervene, or otherwise appropriately assert and protect LESSOR's interest with respect thereto.

#### **5.5. Notices.**

(a) If at any time LESSEE shall become aware or have reasonable cause to believe that any Hazardous Substance has come to be located on or beneath the Leased Premises, Lessee shall immediately upon discovering such presence or suspected presence of the Hazardous Substance give written notice of that condition to LESSOR.

(b) In addition, LESSEE shall immediately notify LESSOR in writing of (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened pursuant to any Hazardous Substances Law, (ii) any written claim made or threatened by any person against LESSEE, the Leased Premises or improvements located thereon relating to damage, contribution, cost recovery, compensation, loss or injury resulting from or claimed to result from any Hazardous Substances, and (iii) any reports made to any Environmental Agency arising out of or in connection with any Hazardous Substances in or Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

removed from the Leased Premises or any improvements located thereon, including any complaints, notices, warnings or asserted violations in connection therewith.

(c) LESSEE shall also supply to LESSOR as promptly as possible, and, in any event, within five (5) days after LESSEE first receives or sends the same, copies of all claims, reports, complaints, notices, warnings or asserted violations relating in any way to the Leased Premises or improvements located thereon or LESSEE's use thereof.

#### **5.6. Environmental Liabilities.**

(a) LESSOR acknowledges that LESSEE shall not be responsible to or liable to LESSOR for any violation of Hazardous Substances Laws which occurred prior to the Effective Date of this Lease or for the presence of such Hazardous Substances found on, within or below the Leased Premises where the presence of such Hazardous Substances predate the Effective Date.

(b) Hazardous Substances not revealed prior to the Effective Date hereof, but subsequently discovered on, under or within the Leased Premises at levels that are in violation of the Hazardous Substances Laws shall be the absolute responsibility of the LESSEE, unless

(i) the LESSEE demonstrates by clear and convincing evidence that the presence of such Hazardous Substances on, under or within the Leased Premises predates the Environmental Baseline, or

(ii) LESSEE demonstrates by a preponderance of the evidence that the presence of such Hazardous Substances on, under or within the Leased Premises after the Effective Date hereof was caused by the acts or omissions of LESSOR, its agents, servants, employees, contractors or licensees, provided such acts or omissions of the LESSOR'S agents, servants, employees, contractors or licensees are within the scope and course of their duties.

(c) Prior to the Effective Date of the Lease a Phase I (and, if required Phase II) Environmental Site Assessment shall be performed as to the Leased Premises. The Environmental Site Assessment shall form the Environmental Baseline for this Lease.

#### **5.7. Hazardous Substances Indemnification.**

(a) LESSEE agrees to and shall indemnify, defend and hold LESSOR harmless of and from any and all claims, demands, fines, penalties, causes of action, liabilities, damages, losses, costs and expenses (including attorneys' fees and expert witness fees) that LESSOR may sustain (unless it be proven by a preponderance of the evidence that any of the foregoing was caused by LESSOR'S negligence or willful misconduct or that of LESSOR'S agents, servants, employees, contractors or licensees), occurring during the Lease Term and which resulted from Hazardous Substances brought upon the Leased Premises, during the Lease Term by any person whomsoever, other than LESSOR, its agents, servants, employees, contractors or licensees.

(b) The indemnification contained in this Section shall survive the termination of the Lease. This indemnification shall not extend to any claim, demand, fine, penalty, cause of action, liability, damage, loss, cost or expense related to the presence of Hazardous Substances that are documented in the Environmental Baseline.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

(c) In addition, and not in limitation of the foregoing, LESSEE agrees to and shall indemnify, defend and hold LESSOR harmless from and against any and all claims, demands, suits, losses, damages, assessments, fines, penalties, costs or other expenses (including attorneys' fees expert witness fees and court costs) arising from or in any way related to, damage to the environment, costs of investigation charged by Environmental Agencies, personal injury, or damage to property, due to a release of Hazardous Substances on, under, above, or about the Leased Premises or in the surface or groundwater located on or under the Leased Premises, or gaseous emissions (excluding methane, radon and other naturally occurring gases) from the Leased Premises or any other condition existing on the Leased Premises resulting from Hazardous Substances where any of the foregoing occurred during the Lease Term as a result of Hazardous Substances brought onto the Leased Premises by any person whomsoever, other than LESSOR, its agents, servants, employees, contractors or licensees.

(d) LESSEE further agrees that its indemnification obligations shall included, but are not limited to, liability for damages resulting from the personal injury or death of any employee or volunteer of LESSEE, regardless of whether LESSEE has paid the employee under the Workers' Compensation Laws of the State of Florida, or other similar federal or state legislation for the protection of employees.

(e) The terms "property damage" as used in this Article includes, but is not limited to, damage to the property of the LESSEE, LESSOR and of any third parties caused by or resulting from LESSEE's breach of any of the covenants in this Article and shall include remedial activities performed by an Environmental Agency or by LESSEE pursuant to directives from an Environmental Agency.

(f) LESSEE shall further indemnify, defend and hold LESSOR harmless from and against any and all liability, including, but not limited to, all damages directly arising out of the use, generation, storage or disposal of Hazardous Substances in, on, under, above or about the Leased Premises during the Lease Term, including, without limitation, the cost of any required or necessary inspection required by law, audit, clean up required by law, or detoxification or remediation required by law and the preparation of any closure or other required plans, consent orders, license applications, or the like, whether such action is required by law or not, to the full extent that such action is attributable to the use, generation, storage or disposal of Hazardous Substances in, on, under, above or about the Leased Premises during the Lease Term, and all fines and penalties associated with any of the foregoing.

(g) LESSEE agrees that the foregoing obligations to indemnify, defend and hold LESSOR harmless extends to and includes all reasonable attorneys' fees, experts' fees and costs incurred in the defense of any of the foregoing claims or demands as well as indemnifying LESSOR for any and all reasonable attorneys' fees, experts' fees and costs incurred by LESSOR in LESSOR's enforcement of the provisions of this Article respecting Hazardous Substances. The indemnification provided in this Lease shall survive the termination of this Lease, but shall end, with respect to any claim or cause of action, with the expiration of any applicable statute of limitation for such claim or cause of action.

(h) LESSEE's obligation to indemnify, defend and hold LESSOR harmless pursuant to this Article shall be with respect to claims, damages, fines, penalties, causes of action, liabilities, losses, costs and expenses, including attorneys' fees and experts' fees, which resulted from Hazardous Substances brought in, on, under, above or about the Leased Premises during the term of this Lease by any person whomsoever, other than LESSOR, its agents, servants, employees, contractors or licensees.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**5.8. Right Of Entry For LESSOR'S Tests.**

(a) At any time during the Lease Term LESSOR may, upon reasonable prior written notice to LESSEE (taking into account the potential disruption of the LESSEE's operation) enter upon the Leased Premises for the purpose of conducting environmental tests ("LESSOR'S Tests") to determine the presence and/or extent of contamination by Hazardous Substances in, on, under, above, within or about the Leased Premises. LESSOR shall not be entitled to conduct the LESSOR'S Tests unless:

(i) An Environmental Agency shall have issued an notice of violation with respect to the Hazardous Substances on, within, above, about or under the Leased Premises; or

(ii) LESSOR has probable cause to believe that LESSEE has violated Hazardous Substance Laws relating to the LESSEE's use of the Leased Premises.

Notwithstanding the limitations set forth in (i) and (ii) above, LESSOR may conduct LESSOR'S Tests no less often that every five (5) years without being subject to the limitations set forth in (i) and (ii) above.

(b) LESSOR'S Tests shall be at the sole cost and expense of LESSOR. The cost and expenses relating to the LESSOR'S Tests shall not be included in the scope of any indemnification set forth in this Article, unless the Tests reveals the presence of Hazardous Substances at levels that are in violation of the Hazardous Substances Laws and which were not revealed by LESSEE prior to the Effective Date hereof. No LESSOR'S Tests shall be conducted until LESSOR has provided to LESSEE the name of the testing contractor (which shall be fully licensed to conduct the LESSOR'S Tests).

**5.9. Environmental Procedure; Consent to Assignment.**

(a) Any provisions herein to the contrary notwithstanding, LESSEE, or its proposed assignee, whichever the case may be, shall, at its own cost and expense, furnish to LESSOR an updated Phase I & Phase II Environmental Assessment of the Leased Premises, performed by environmental experts reasonably found qualified by LESSOR, as a condition precedent to LESSOR's consent to an assignment of the leasehold interest or any part thereof. The foregoing is referred to hereinafter as the "Environmental Procedure."

(b) The Environmental Procedure shall include a qualitative and quantitative analysis of the presence of Hazardous Substances in, on, under, above, within or about the Leased Premises and which were not revealed by LESSEE prior to the Effective Date hereof.

(c) If the Environmental Procedure establishes the presence of Hazardous Substances at levels that are in violation of the Hazardous Substance Laws, then LESSOR may withhold consent to the assignment of the leasehold interest or any part thereof, until security is posed with LESSOR which is deemed by LESSOR to be reasonably adequate to cover 150% of the projected costs of any legally required clean-up, detoxification or remediation of the Leased Premises from the presence of Hazardous Substances in excess of the Environmental Baseline in, on, under, above, within or about the Leased Premises and any and all fines or penalties associated therewith.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**5.10. Periodic Environmental Procedure.**

(a) In addition to the requirements of this Article, LESSEE shall, if requested by LESSOR, periodically, as set forth herein, perform the Environmental Procedure for the benefit of LESSOR as follows:

(i) No sooner than the 54<sup>th</sup> months after the Effective Date, nor later than the 58<sup>th</sup> month after the Effective Date; and

(ii) In the event an Extension Option is timely exercised, then no sooner than the 54<sup>th</sup> month after the beginning of the Extension Option Term, nor later than the 58<sup>th</sup> month after the beginning of the Extension Option Term.

The foregoing shall be referred to as the "Periodic Environmental Procedure(s)"

(b) In each case, the Periodic Environmental Procedure(s) shall be completed, such that the updated Phase I Environmental Site Assessment, and, if recommended in the Phase I, then a Phase II Environmental Assessments, is/are delivered to the LESSOR no later than thirty (30) days subsequent to the date specified in (i) or (ii) above.

(c) At the time of each Periodic Environmental Procedure, LESSEE shall comply with the remediation, clean-up and security requirements as set forth in the Periodic Environmental Procedure.

(d) If the Periodic Environmental Procedure establishes the presence of Hazardous Substances in, on, under, above, within or about the Leased Premises that are at levels that are in violation of Hazardous Substance Laws and that were not identified in the Environmental Baseline, LESSEE shall post security with LESSOR which is deemed by LESSOR to be reasonably adequate to cover 150% of the projected costs of any legally required clean-up, detoxification or remediation of the Leased Premises from the presence of Hazardous Substances in excess of the Environmental Baseline in, on, under, above, within or about the Leased Premises and any and all fines or penalties associated therewith.

**ARTICLE 6.**

**CONDITION OF PREMISES**

**6.1. LESSEE'S Acceptance and Maintenance of Leased Premises.**

(a) "AS IS" Condition. LESSEE acknowledges that prior to the Effective Date hereof it has performed sufficient inspections of the Leased Premises in order to fully assess and make itself aware of the condition of the Leased Premises, and that LESSEE is leasing the Leased Premises in an "AS IS" condition. Except as may be expressly set forth in or required by this Lease, LESSEE acknowledges that the LESSOR has made no other representations or warranties as to the condition or status of the Leased Property and that LESSEE is not relying on any other representations or warranties of the LESSOR, any broker(s), or any agent of LESSOR in leasing the Leased Premises. Except as may be expressly set forth in or required by this Lease, LESSEE acknowledges that neither LESSOR nor any agent or employee of LESSOR has provided any other representations, warranties, promises, covenants, agreements or guaranties of

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to:

- (1) The nature, quality or condition of the Leased Premises, including, without limitation, the water, soil and geology;
- (2) The suitability of the Leased Premises for any and all activities and uses which LESSEE may conduct thereon;
- (3) The compliance of or by the Leased Premises or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body;
- (4) The habitability, merchantability or fitness for a particular purpose of the Leased Premises; or
- (5) Any other matter with respect to the Leased Premises.

Without limiting the foregoing, LESSOR does not and has not made and specifically disclaims any other representation or warranty regarding the presence or absence of any Hazardous Substances, as herein defined, at, on, under or about the Leased Premises or the compliance or non-compliance of the Leased Premises with any laws, rules, regulations or orders regarding Hazardous Substances (collectively the "Hazardous Substance Laws"). For purposes of this Lease, the term "Hazardous Substances" shall have the meaning as set forth in Article 5 hereof. Hazardous Substances shall also include Radon Gas. LESSEE further acknowledges that neither LESSOR nor any agent of LESSOR has provided any representation or warranty with respect to the existence of asbestos or other Hazardous Substances on the Leased Premises other than as may be specifically set forth in this Lease. Accordingly, as between LESSOR and LESSEE under this Lease, the physical condition of the Leased Premises and compliance with all applicable laws, statutes, ordinances or regulations with respect to the physical condition of the Leased Premises shall be the sole responsibility and obligation of LESSEE.

(b) LESSEE shall maintain the Leased Premises in a good state of repair and in a condition consistent with the Permissible Uses for the Leased Premises as set forth in Section 4.1 hereof. LESSEE shall not suffer or permit the commission of any waste or neglect of the grounds, landscaping, buildings, the fixtures and equipment that LESSEE brings, constructs or placed on the Leased Premises. LESSEE shall repair, replace and renovate the Leased Premises and all the improvements located thereon as often as is necessary to keep these items in a good state of repair.

(c) The parties acknowledge that the LESSOR'S Purchasing Code applies to every expenditure of public funds by a public agency for public purchasing irrespective of its source, requiring that all contracts of the City / LESSOR shall be awarded by competitive bidding, except as otherwise permitted. As an exception, the Purchasing Code by which LESSOR is governed, permits the purchase of goods and services without competitive bidding only when approved by the LESSOR'S City Manager when, in his determination, it serves the best interests of the City.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street



(1) To that end for the purposes of this subparagraph (c) the term "Major Repairs" shall mean any single individual repair, the cost or expense of which is \$2,500.00 or greater. The term "Minor Repair" shall mean any single individual repair, the cost or expense of which is less than \$2,500.00.

(2) LESSEE shall perform all Minor Repairs to the Leased Premises at its sole cost and expense.

(3) LESSEE shall perform all Major Repairs to the Leased Premises, the cost or expense of which is \$2,500.00 or greater up to a maximum of \$5,000.00 and the cost or expense shall be reimbursed by LESSOR, (i) provided that the cost or expense is approved by LESSOR'S City Manager, in writing, in advance of the work being performed, with specific reimbursable costs delineated and (ii) approval of the reimbursement is contingent upon the City Manager approving an itemized invoice.

(4) LESSEE shall perform all Major Repairs to the Leased Premises, the cost or expense of which is greater than \$5,000.00. LESSOR shall reimburse LESSEE the cost or expense of such Major Repairs in excess of \$5,000.00 only where LESSEE has obtained competitive bids for all single items that can be obtained from more than one source and the purchase of such goods or service shall be awarded to the lowest, responsive and most responsible bidder in accordance with City Code Sec. 2-184 and 2-185.

**6.2. Damage To Leased Premises.** On LESSOR's demand, LESSEE shall pay for all damages to the Leased Premises that are incurred or sustained during the Lease Term, where such damages are not caused by LESSOR or any of its agents, servants, employees, contractors or licensees; provided, however, that if the damage or injury is caused by LESSOR's tortious acts or omissions, or if the tortious acts or omissions of LESSOR's agents, servants, employees, contractors or licensees acting within the scope and course of their duties, then, to the extent the damage or injury in question is caused thereby, then LESSEE's liability to LESSOR hereunder shall be proportionately abated. If LESSEE fails to repair any damage or destruction not caused by LESSOR or otherwise fails to maintain the Leased Premises after fifteen (15) days advance notice from LESSOR, then LESSOR may peaceably enter upon the Leased Premises during normal business hours and repair the damage or destruction or may conduct any maintenance that LESSOR deems necessary in its sole discretion. Under such circumstances, the cost of such repair or maintenance is considered additional rent.

**6.3. Condition At End Of Lease Term.** At the earlier of the expiration of the Lease Term or termination of this Lease, LESSEE shall quit the Leased Premises and surrender them to LESSOR. The Leased Premises must be in good order and condition at the time of surrender thereof. At the time of surrender all landscaping shall be in a healthy and vibrant condition. LESSEE shall remove all personal property that belongs to LESSEE or any of LESSEE'S agents, servants, employees, independent contractors or subtenants and shall repair all damage to the Leased Premises caused by such removal.

## ARTICLE 7.

### LIENS

**7.1. Liens Against The Leased Premises.** LESSEE shall have no power or authority to incur any indebtedness giving a right to a lien of any kind or character upon the right, title or

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

interest of LESSOR in and to the Leased Premises, and no person shall ever be entitled to any lien, directly or indirectly derived through or under the LESSEE, or its agents, servants, employees, contractors or officers or on account of any act or omission of said LESSEE as to LESSOR's right, title or interest in and to the Leased Premises. All Persons contracting with the LESSEE, or furnishing materials, labor or services to said LESSEE, or to its agents or servants, as well as all persons shall be bound by this provision of the Lease Agreement. Should any such lien be filed, LESSEE shall discharge the same within thirty (30) days thereafter, by paying the same or by filing a bond, or otherwise, as permitted by law. LESSEE shall not be deemed to be the agent of CITY, so as to confer upon a laborer bestowing labor upon or within the Leased Premises or upon materialmen who furnish material incorporated in the construction and improvements upon the foregoing, a construction lien pursuant to Chapter 713, Florida Statutes or an equitable lien upon the CITY's right, title or interest in and to the Leased Premises. These provisions shall be deemed a notice under Section 713.10(1), Florida Statutes of the "non-liability" of the CITY.

## ARTICLE 8.

### ENTRY AND INSPECTION OF PREMISES

**8.1. LESSOR'S Inspection and Entry Rights.** LESSOR, or any agent thereof, shall be entitled to enter the Leased Premises during any reasonable business hours for any of the following reasons:

- (i) To examine the Leased Premises;
- (ii) To make annual inspections for the purpose of conducting an assessment of the condition and habitability of the dwelling units, utilizing the Housing Quality Standards "HQS" Inspection form, a copy of which has been deliver to LESSEE.
- (iii) To make all repairs, addition(s) or alteration(s) that LESSOR deems necessary for safety or preservation of the Leased Premises or improvements located thereon, after fifteen (15) days advance notice to LESSEE that the Leased Premises or any portion thereof is in need of maintenance or repair and LESSEE fails to take appropriate curative actions; or
- (iv) To remove signs, fixtures, alterations or additions that do not conform to the terms of this Lease after fifteen (15) days advance notice to LESSEE that the Leased Premises or any portion thereof is not in compliance with the terms of the Lease and LESSEE fails to take appropriate curative actions;

Provided that nothing herein shall be construed in such a manner as to impose upon LESSOR the obligation to so enter the Leased Premises and perform any act referenced above.

**8.2. Liability For Entry.** LESSEE, nor any agent, servant, employee, independent contractor, licensee or subtenant claiming by, through or under LESSEE, or any invitees thereof shall have no claim or cause of action against LESSOR because of LESSOR's entry or other action taken under this Article, except to the extent that any such claim or cause of action is due

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

to the intentional or grossly negligent conduct of LESSOR, its agents, servants, employees, contractors or licensees acting within the scope and course of their duties.

## ARTICLE 9.

### INSURANCE AND INDEMNIFICATION

#### 9.1. Indemnity.

(a) LESSEE shall protect, defend, indemnify and hold harmless the LESSOR, its officers, employees and agents from and against any and all lawsuits, penalties, damages, settlements, judgments, decrees, costs, charges and other expenses including attorney's fees or liabilities of every kind, nature or degree arising out of or in connection with the rights, responsibilities and obligations of LESSEE under this Lease, conditions contained therein, the location, construction, repair, maintenance use or occupancy of the Leased Premises or improvements located thereon, or the breach or default by LESSEE of any covenant or provision of this Lease except for any occurrence arising out of or resulting from the intentional torts or gross negligence of the LESSOR, its officers, agents and employees acting within the scope and course of their duties.

(b) Without limiting the foregoing, any and all such claims, suits, causes of action relating to personal injury, death, damage to property, defects in construction, rehabilitation or restoration of the Leased Premises, alleged infringement of any patents, trademarks, copyrights or of any other tangible or intangible personal or real property right, or any actual or alleged violation of any applicable statute, ordinance, administrative order, rule or regulation or decree of any court, is included in the indemnity.

(c) LESSEE further agrees to investigate, handle, respond to, provide defense for, and defend any such claims at its sole expense and agrees to bear all other costs and expenses related thereto even if the claim is groundless, false or fraudulent and if called upon by the LESSOR, LESSEE shall assume and defend not only itself but also the CITY in connection with any claims, suits or causes of action, and any such defense shall be at no cost or expense whatsoever to LESSOR, provided that the LESSOR (exercisable by the LESSOR's Risk Manager) shall retain the right to select counsel of its own choosing.

**9.2. LESSOR'S Liability.** In no event shall LESSOR'S liability for any breach of this Lease exceed the amount of Rent then remaining unpaid for the then current term (exclusive of any renewal periods which have not then actually commenced). This provision is not intended to be a measure or agreed amount of LESSOR'S liability with respect to any particular breach and shall not be utilized by any court or otherwise for the purpose of determining any liability of LESSOR hereunder except only as a maximum amount not to be exceeded in any event. Furthermore, LESSEE shall look only to the LESSOR'S estate and interest in the Leased Premises (or to the proceeds thereof) for the satisfaction of LESSEE's remedies for the collection of any judgment (or other judicial process) requiring the payment of money by LESSOR in the event of any default by LESSOR under this Lease, and no other

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

property or other assets of LESSOR shall be subject to levy, execution or other enforcement procedure for the satisfaction of LESSEE's remedies under or with respect to this Lease and neither LESSOR shall be liable for any deficiency. Nothing contained in this Paragraph shall be construed to permit LESSEE to offset against Rents due a successor LESSOR a judgment (or other judicial process) requiring the payment of money by reason of any default of a prior landlord, except as otherwise specifically set forth herein.

**9.3. Insurance.** At all times during the term of this Lease Agreement, LESSEE, at its expense, shall keep or cause to be kept in effect the following insurance coverages:

- (a) A general liability insurance policy, in standard form, insuring LESSEE and LESSOR as an additional insured, against any and all liability for bodily injury or property damage arising out of or in connection with this Lease and the license granted herein with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) general aggregate and shall name the LESSOR as an additional insured. All such policies shall cover the activities under the Lease, including, but not limited to, the possession, use, occupancy, maintenance, repair, and construction of additions, modifications, renovations or demolition of the Leased Premises or portions thereof. This policy shall not be affected by any other insurance carried by LESSOR.
- (b) The minimum limits of coverage under subsections (a), (d) and (e) may be adjusted by LESSOR, in LESSOR's sole discretion, every five (5) years, on the anniversary date of the Effective Date of this Lease, in accordance with the increase or decrease in the Consumer Price Index for "All Urban Consumers, U.S. All Items (1982 - 1984 = 100)" (hereinafter, CPI) published by the Bureau of Labor Statistics of the United States Department of Labor, or any comparable successor or substitute index designated by LESSOR. For the purposes of this subparagraph, the beginning CPI figures shall be the most recently published index figures in effect as of the Effective Date hereof. On the date(s) of adjustment, the adjusting figures shall be the most recently published figures in effect on the subject adjustment date(s).
- (c) Workers' Compensation Insurance to apply to all LESSEE's employees and employees of contractors retained by LESSEE conducting work upon the Leased Premises, said coverage to be in compliance with the "Workers' Compensation Law" of the State of Florida and all applicable federal laws. In addition, the policy(ies) shall include Employers' Liability with a limit of One Hundred Thousand Dollars (\$100,000.00) for each accident.
- (d) Business Automobile Liability for all vehicles owned or used by LESSEE and LESSEE's contractors that are involved in the operation of the Leased Premises with limits of Three Hundred Thousand Dollars (\$300,000.00) per occurrence, combined single limit for Bodily Injury Liability and Property Damage Liability.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

- (e) Fire and All Risk Property coverage (including flood), with an endorsement for increased cost of compliance, on the structures, improvements and fixtures located upon the Leased Premises in an amount equate to not less than ninety percent (90%) of its full insurable value, and shall name the LESSOR as a Loss Payee on the policy. The deductible shall be no more than ten percent (10%) of the value of the structures and improvements located upon the Leased Premises.
- (f) All of the policies of insurance provided for in this Lease:
  - (i) shall be in the form and substance approved by the Department of Insurance of the State of Florida ("DOI"),
  - (ii) shall be issued only by companies licensed by DOI,
  - (iii) Certificates of Insurance pertaining to same shall be delivered to LESSOR, at least fourteen (14) days prior to the Effective of the Lease Term,
  - (iv) shall be with a carrier having an A Best's Rating of not less than A, Class VII,
  - (v) shall bear endorsements showing the receipt by the respective companies of the premiums thereon or shall be accompanied by other evidence of payment of such premiums to the insurance companies, including evidence of current annual payment, if on any installment payment basis, and
  - (vi) shall provide that they may not be canceled by the insurer for thirty (30) days after service of notice of the proposed cancellation upon LESSOR and shall not be invalidated as to the interest of LESSOR by any act, omission or neglect of LESSEE.
- (g) In any case where the original policy of any such insurance shall be delivered to LESSEE, a duplicated original of such policy shall thereupon be delivered to LESSOR's Risk Manager. All insurance policies shall be renewed by LESSEE, and certificates evidencing such renewals, bearing endorsements or accompanied by other evidence of the receipt by the respective insurance companies of the premiums thereon, shall be delivered to LESSOR's Risk Manager, at least twenty (20) days prior to their respective expiration dates.
- (h) LESSOR does not in any way represent that the types and amounts of insurance required hereunder are sufficient or adequate to protect LESSEE's or Contractor's interests or liabilities but are merely minimum requirements established by LESSOR's Risk Management Division. LESSOR reserves the right to require

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

any other reasonable insurance coverages that LESSOR deems necessary depending upon the risk of loss and exposure to liability.

- (i) Any and all net insurance proceeds received by or on account of LESSEE under the Lease shall be deposited with the primary deposit for the LESSOR, to be held in escrow for the benefit of the LESSEE and LESSOR, and said funds shall be used for the purpose of reconstruction or repair, as the case may be, of any of the structures, improvements or fixtures located within the Leased Premises so damaged or destroyed. Such reconstruction and repair work shall be done in strict conformity with all applicable building and zoning codes and regulations or standards promulgated by any governmental agency having subject matter jurisdiction. Should the costs of regulations or repair exceed the amount of funds available from the proceeds of such insurance policy, then, and in such event, such funds shall be used as far as the same will permit in paying the costs of reconstruction or repair.

**9.4 Waiver Of Subrogation.** Each of the LESSOR and LESSEE hereby releases the other from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for any loss or damage to property caused by fire or any other perils insured in policies of insurance for any loss or damage to property caused by fault or negligence covering such property, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for which such party may be responsible, including any other licensees or occupants of the Leased Premises; provided however, that this release shall be applicable and in force and effect only to the extent that such release shall be lawful at the time and in any event only with respect to loss or damage occurring during such time as the releasor's policies shall contain a clause or endorsement to the effect that any such release shall not adversely affect or impair said policies or prejudice the right of the releasor to coverage thereunder and then only to the extent of the insurance proceeds payable under such policies. Each of LESSOR and LESSEE agrees that it will request its insurance carriers to include in its policies such a clause or endorsement. If extra costs shall be charged therefore, each party shall advise the other thereof and of the amount of the extra cost and the other party, at its election, may pay the same, but shall not be obligated to do so.

## ARTICLE 10.

### ASSIGNMENTS AND SUBLETTING

#### 10.1. Assignment and Subletting.

(a) Unless expressly authorized otherwise, LESSEE may not assign this Lease nor any portion of its leasehold interest, nor sublet, license or grant any concession for the use of the Leased Premises to another person without obtaining LESSOR's prior written consent.

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

(b) LESSEE is expressly authorized to sub-lease dwelling units in the Leased Premises to low- and moderate-income households, provided that as a condition precedent to any such Sub-Lease, LESSOR shall approve the "form" of the Sub-Lease to low- and moderate-income household sub-tenants.

(c) LESSEE shall, by written notice, advise LESSOR of its desire from and after a stated date (which shall not be less than thirty (30) nor more than ninety (90) days after the date of LESSEE's notice) to assign its interest under this Lease or any portion thereof for any part of the term hereof. LESSEE shall supply LESSOR with such information, financial statements, verifications and related materials as LESSOR may request or desire to evaluate the written request to so assign; and in such event LESSOR shall have the right, to be exercised by giving written notice to LESSEE within thirty (30) days after receipt of LESSEE's notice and all of the aforesaid materials, to either refuse to consent to the proposed assignment. Said notice by LESSEE shall state the name and address of the proposed assignee.

(c) As a condition to LESSOR's prior written consent as provided for herein, the assignee shall agree in writing to comply with and be bound by all of the terms, covenants, conditions, provisions and agreements of this Lease, and LESSEE shall deliver to LESSOR promptly after execution, an executed copy of such sublease or assignment and an agreement of said compliance by each sublease or assignee.

**10.2. Continued Liability of LESSEE.** LESSOR's consent to any sale, assignment, encumbrance, subletting, occupation, lien or other transfer shall not release LESSEE from any of LESSEE's obligations hereunder or be deemed to be a consent to any subsequent occurrence. Any sale, assignment, encumbrance, subletting, occupation, lien or other transfer of this Lease that does not comply with the provisions of Article shall be void.

## ARTICLE 11.

### LESSOR'S REMEDIES

**11.1. Remedies For Nonpayment of Rent or Additional Rent.** LESSOR has the same remedies for LESSEE's failure to pay rent as LESSEE's failure to pay additional rent.

**11.2. Accord and Satisfaction.** If LESSEE pays or LESSOR receives an amount that is less than the amount stipulated to be paid under any Lease provision, that payment is considered to be made only on account of an earlier payment of that stipulated amount. No endorsement or statement on any check or letter may be deemed an accord and satisfaction. LESSOR may accept any check or payment without prejudice to LESSOR's right to recover the balance due or to pursue any other available remedy.

**11.3. Abandonment Of Leased Premises Or Delinquency In Rent.** If LESSEE abandons or vacates the Leased Premises before the end of the Lease Term, or if LESSEE is in arrears in rent or additional rent payments, LESSOR may cancel this Lease, subject to the notice and opportunity to cure provisions set forth in Section 11.4. On cancellation, LESSOR shall be entitled to peaceably enter the Leased Premises as LESSEE's agent to regain or relet the Leased Premises. LESSOR shall incur no liability for such entry. As LESSEE's agent, LESSOR may relet the Leased Premises with or without any improvements, fixtures or personal property that may be upon it, and the reletting may be made at such price, in such terms and for such duration

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

as LESSOR determines and for which LESSOR receives rent. LESSOR shall apply any rent received from reletting to the payment of the rent due under this Lease. If, after deducting the expenses of reletting the Leased Premises, LESSOR does not realize the full rental provided under this Lease, LESSEE shall pay any deficiency. If LESSOR realizes more than the full rental, LESSOR shall pay the excess to LESSEE on LESSEE's demand, after deduction of the expenses of reletting. Notwithstanding the foregoing, LESSOR is not obligated to relet the Leased Premises and LESSOR may, if it so elects, merely regain possession of the Leased Premises.

#### **11.4. Dispossession On Default; Notice and Opportunity to Cure.**

(a) If LESSEE defaults in the performance of any covenant or condition of this Lease, LESSOR may give LESSEE written notice of that default. If LESSEE fails to cure a default in payment of rent or additional rent within twenty (20) days after notice is given, LESSOR may terminate this LEASE. For defaults other than nonpayment of rent or additional rent, LESSEE shall cure such default within twenty (20) days after notice is given or within such greater period of time as specified in the notice; provided, however, if a greater period of time is not specified in the notice, then the period for curing such default shall be twenty (20) days.

(b) If the default (other than for nonpayment of rent or additional rent) is of such a nature that it cannot be completed cured within time specified, LESSOR may terminate this Lease only if LESSEE fails to proceed with reasonable diligence and in good faith to cure the default. Thereafter, termination of this Lease may occur only after LESSOR gives not less than ten (10) days' advance notice to LESSEE. On the date specified in the notice, the term of this Lease will end, and, LESSEE shall quit and surrender the Leased Premises to LESSOR, except that LESSEE will remain liable as provided under this Lease.

(c) On termination of the Lease, LESSOR may peaceably re-enter the Leased Premises without notice to dispossess LESSEE, any legal representative of LESSEE, or any other occupant of the Leased Premises. LESSOR may retain possession through summary proceedings or otherwise and LESSOR shall then hold the Leased Premises as if this Lease had not been made.

**11.5. Damages On Default.** If LESSOR retakes possession under Section 11.4, LESSOR shall have the following rights:

(a) LESSOR shall be entitled to rent and additional rent that is due and unpaid, and those payments will become due immediately, and will be paid up to the time of the re-entry, dispossession or expiration, plus any expenses (including, but not limited to attorneys' fees, brokerage fees, advertising, administrative time, labor, etc.) that LESSOR incurs in returning the Leased Premises to good order and/or preparing it for re-rental, if LESSOR elects to re-rent, plus interest on rent and additional rent when due at the rate of twelve (12.0%) percent per annum.

(b) LESSOR shall be entitled, but is not obligated, to re-let all or any part of the Leased Premises in LESSOR's name or otherwise, for any duration, on any terms, including but not limited to any provisions for concessions or free rent, or for any amount of rent that is higher than that in this Lease.

(c) LESSOR's election to not re-let all or any part of the Leased Premises shall not release or affect LESSEE's liability for damages. Any suit that LESSOR brings to collect the amount of the deficiency for any rental period will not prejudice in any way LESSOR's rights to Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street



collect the deficiency for any subsequent rental period by a similar proceeding. In putting the Leased Premises in good order or in preparing it for re-rental, LESSOR may alter, repair, replace, landscape or decorate any part of the Leased Premises in any way that LESSOR considers advisable and necessary to re-let the Leased Premises. LESSOR's alteration, repair, replacement, landscape or decoration will not release LESSEE from liability under this Lease.

(d) LESSOR is not liable in any way for failure to re-let the Leased Premises, or if the Leased Premises are re-let, for failure to collect the rent under the re-letting. LESSEE will not receive any excess of the net rents collected from re-letting over the sums payable by LESSEE to LESSOR under this Section.

**11.6. Insolvency or Bankruptcy.** Subject to the provisions hereof respecting severability, should LESSEE at any time during the Lease Term suffer or permit the appointment of a receiver to take possession of all or substantially all of the assets of LESSEE, or an assignment of LESSEE for the benefit of creditors, or any action taken or suffered by LESSEE under any insolvency, bankruptcy, or reorganization act, shall at LESSOR's option, constitute a breach and default of this Lease by LESSEE and LESSEE agrees to provide adequate protection and adequate assurance of future performance to the LESSOR which will include, but not be limited to the following:

(a) All monetary and non-monetary defaults existing prior to the breach or default referenced above shall be cured within the time specified above that shall include all costs and attorneys' fees expended by LESSOR to the date of curing the default.

(b) All obligations of the LESSEE must be performed in accordance with the terms of this Lease.

If at any time during the pendency of the bankruptcy proceeding the LESSEE or its successor in interest fails to perform any of the monetary or non-monetary obligations under the terms of this Lease, or fails to cure any pre-filing default, or fails to make additional security deposit required under the Lease for the adequate assurance of future performance clause above, the LESSEE HEREBY STIPULATES AND AGREES TO WAIVE ITS RIGHTS TO NOTICE AND HEARING AND TO ALLOW THE LESSOR TOTAL RELIEF FROM THE AUTOMATIC STAY UNDER 11 U.S.C. § 362 TO ENFORCE ITS RIGHTS UNDER THIS LEASE AND UNDER STATE LAW INCLUDING BUT NOT LIMITED TO ISSUANCE AND ENFORCEMENT OF A JUDGMENT OF EVICTION, WRIT OF ASSISTANCE AND WRIT OF POSSESSION.

**11.7. Condemnation.** LESSEE waives any claim of loss or damage, and any right or claim to any part of an award that results from the exercise of eminent domain power of any governmental body, regardless of whether the loss or damage arise because of condemnation of all or part of the Leased Premises. If any eminent domain power that is exercised interferes with LESSEE's use of the Lease Premises, the rentals under this Lease will be proportionately abated. If a partial taking or condemnation renders the Leased Premises unsuitable for LESSEE's purposes under this Lease, the Lease Term will cease as of the date the condemning authority

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

requires possession. If an eminent domain power is exercised, LESSEE has not claim against LESSOR for the value of an unexpired term of this Lease.

**11.8 Holding Over.** LESSEE will, at the termination of this Lease by lapse of time or otherwise, yield up immediate possession to LESSOR. If LESSEE retains possession of the Leased Premises or any part thereof after such termination, then LESSOR may at its option, serve written notice upon LESSEE that such holding over constitutes any one of: (i) renewal of this Lease for one year, and from year to year thereafter, (ii) creation of a month to month tenancy, upon the terms and conditions set forth in this Lease, or (iii) creation of a tenancy at sufferance, in any case upon the terms and conditions set forth in this Lease; provided, however, that the rent shall, in addition to all other sums which are to be paid by LESSEE hereunder, whether or not as additional rent, be equal to double the rent being paid to LESSOR under this Lease immediately prior to such termination. If no such notice is served, then a tenancy at sufferance shall be deemed to be created at the rent in the preceding sentence. LESSEE shall also pay to LESSOR all damages sustained by LESSOR resulting from a retention of possession by LESSEE, including the loss of any proposed subsequent LESSEE for any portion of the Leased Premises. The provisions of this Section shall not constitute a waiver by LESSOR of any right of re-entry as herein set forth; nor shall receipt of any rent or any other act in apparent affirmance of the tenancy operate as a waiver of the right to terminate this Lease for a breach of any of the terms, covenants or obligations herein on LESSEE's part to be performed.

**11.9. Cumulative Remedies.** LESSOR's remedies contained in the Lease are in addition to the right of a Landlord under Florida Statutes governing non-residential Landlord-Tenant relationships and to all other remedies available to a Landlord at law or in equity.

## ARTICLE 12.

### COMMUNITY DEVELOPMENT BLOCK GRANT COMPLIANCE REQUIREMENTS

**12.1** LESSEE acknowledges that the Community Development Block Grant ("CDBG") funds were used to rehabilitate the Leased Premises. As a result, the use of the Leased Premises is subject to CDBG rules and regulations. To that end, LESSEE is required to comply with the terms and conditions set forth in the attached Exhibit "A" regarding CDBG Compliance Requirements, including, but not limited to elements of record keeping, reporting, performance monitoring, etc. For the purpose of this Lease and Exhibit "A" reference to "Participant" shall mean LESSEE.

**12.2** Among other matters more particularly set forth in the attached Exhibit For all activities under this Lease, LESSEE shall be responsible for:

- (i) all costs associated with the management, maintenance, upkeep and rental of the dwelling units;

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

- (ii) submitting to the City's Housing and Community Development Division ("HCD") annually a Program Income Report, Program Income being defined as "annual rental income" minus "annual expenses";
- (iii) rents charged to sub-tenants must be affordable to low- to moderate-income households in accordance with HUD income guidelines
- (iv) the maximum rent cannot exceed the Fair Market Rent amount;
- (v) only eligible low- or moderate-income clients can occupy the units;
- (vi) **Annual Occupancy Report (Exhibit "B")** must be submitted to the City's HCD;
- (vii) **Income Certification Documentation** to the initial occupants must be submitted to HCD for approval, prior to occupancy. All future certifications will be issued by LESSEE and verified by City during an annual monitoring.

**12.3** For the purposes of this Lease and Exhibit "A" reference to "Participant" shall mean LESSEE; reference to "Subagreement" shall mean and refer to any agreement between Participant and any third party, including a sub-lease of dwelling units to sub-tenants; reference to "Client" shall mean a sub-tenant under a sub-lease.

## ARTICLE 13.

### MISCELLANEOUS

**13.1. Requirement for Notice.** LESSEE shall give LESSOR prompt written notice of any accidents on, in, over, within, under and above the Lease Area in which damage to property or injury to a person occurs.

#### **13.2. Notices.**

(a) Except as provided in subparagraph (c) below, whenever it is provided herein that notice, demand, request or other communication shall or may be given to, or served upon, either of the parties by the other, or either of the parties shall desire to give or serve upon the other any notice, demand, request or other communication with respect hereto or with respect to any matter set forth in this Lease, each such notice, demand, request or other communication shall be in writing and any law or statute to the contrary notwithstanding shall not be effective for any purpose unless the same shall be given by mailing the same by registered or certified mail, postage prepaid, return receipt requested, addressed to the party at the address set forth below, or at such other address or addresses and to such other person or firm as LESSOR may from time to time designate by notice as herein provided.

(b) All notices, demands, requests or other communications hereunder shall be deemed to have been given or served for all purposes hereunder forty-eight (48) hours after the time that the same shall be deposited in the United States mail, postage prepaid, in the manner aforesaid, provided, however, that for any distance in excess of five hundred (500) miles, air mail service or Federal Express or similar carrier shall be utilized, if available.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

AS TO LESSOR: City Manager  
City of Fort Lauderdale  
100 N. Andrews Avenue  
Fort Lauderdale, FL 33301

With copy to: Housing & Community Development Manager  
City of Fort Lauderdale  
700 N.W. 19<sup>th</sup> Avenue  
Fort Lauderdale, FL 33311

With copy to: City Attorney  
City of Fort Lauderdale  
100 N. Andrews Avenue  
Fort Lauderdale, FL 33301

AS TO LESSEE: Brian C. Johnson, President/CEO or successor  
Broward County Minority Builders Coalition, Inc.  
665 S.W. 27<sup>th</sup> Avenue  
Suite 16  
Fort Lauderdale, FL 33312

With copy to: Greg Durden, Esq.  
633 S.E. Third Avenue  
Fort Lauderdale, FL 33312

**13.3. Time Is Of The Essence.** Time is of the essence as to the performance of all terms and conditions under this Lease.

**13.4. LESSOR'S Cumulative Rights.** LESSOR's rights under the Lease are cumulative, and, LESSOR'S failure to promptly exercise any rights given under this Lease shall not operate of forfeit any of these rights.

**13.5. Modifications, Releases and Discharges.** No modification, release, discharge or waiver of any provision of this Lease will be of any effect unless it is in writing and signed by the LESSOR and LESSEE.

**13.6. Time.** In computing any period of time expressed in day(s) in this Lease, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included unless it is a Saturday, Sunday, or legal holiday, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or legal holiday. When the period of time prescribed or allowed is less than seven (7) days, intermediate Saturdays, Sundays, and legal holidays shall be excluded in the computation.

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**13.7. Captions.** The captions, headings and title of this Lease are solely for convenience of reference and are not to affect its interpretation.

**13.8. Survival.** All obligations of LESSEE hereunder not fully performed as of the expiration or earlier termination of the Term of this lease shall survive the expiration or earlier termination of the Term hereof.

**13.9. Landlord Delays; Causes Beyond Control of Landlord.** Whenever a period of time is herein prescribed for action to be taken by Landlord, Landlord shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to causes of any kind whatsoever which are beyond the control of Landlord.

**13.10. Assignment, Pledge, Security Interest.** LESSEE shall not voluntarily, involuntarily or by operation of law, assign, sell, pledge, grant a security interest, or in any manner transfer its leasehold interest herein or any interest therein or grant any right under the Lease without the prior written consent of LESSOR, which such consent may be granted or withheld in LESSOR's absolute discretion.

**13.11. Interpretation of Lease; Severability.** This Lease shall be construed in accordance with the laws of the State of Florida. If any provision hereof, or its application to any person or situation, is deemed invalid or unenforceable for any reason and to any extent, the remainder of this Lease, or the application of the remainder of the provisions, shall not be affected. Rather, this Lease is to be enforced to the extent permitted by law. Each covenant, term, condition, obligation or other provision of the Lease is to be construed as a separate and independent covenant of the party who is bound by or who undertakes it, and each is independent of any other provision of this Lease, unless otherwise expressly provided. All terms and words used in this Lease, regardless of the number or gender in which they are used, are deemed to include any other number and other gender as the context requires.

**13.12. Successors.** This Lease shall be binding on and inure to the benefit of the parties, their successors and assigns.

**13.13. No Waiver of Sovereign Immunity.** Nothing contained in this Lease is intended to serve as a waiver of sovereign immunity by any agency to which sovereign immunity may be applicable.

**13.14. No Third Party Beneficiaries.** Except as may be expressly set forth to the contrary herein, the parties expressly acknowledge that it is not their intent to create or confer any rights or obligations in or upon any third person or entity under this Lease. None of the parties intend to directly or substantially benefit a third party by this Lease. The parties agree that there are no third party beneficiaries to this Lease and that no third party shall be entitled to assert a claim against any of the parties based on this Lease. Nothing herein shall be construed as consent by any agency or political subdivision of the State of Florida to be sued by third parties in any manner arising out of any contract.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**13.15. Non-Discrimination.** LESSEE shall not discriminate against any Person in the performance of duties, responsibilities and obligations under this Lease because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

**13.16. Records.** Each party shall maintain its own respective records and documents associated with this Lease in accordance with the records retention requirements applicable to public records. Each party shall be responsible for compliance with any public documents request served upon it pursuant to Chapter 119, Florida Statutes, as same may be amended from time to time and any resultant award of attorney's fees of non-compliance with that law.

**13.17. Entire Agreement.** This document incorporates and includes all prior negotiations, correspondence, conversations, agreements and 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 Lease that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

**13.18. Preparation of Agreement.** The parties acknowledge that they have sought and obtained whatever competent advise and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Lease Agreement has been their joint effort.

**13.19. Waiver.** The parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Lease and, therefore, is a material term hereof. Any party's failure to enforce any provision of this Lease shall not be deemed a waiver of such provision or modification of this Lease. A waiver of any breach of a provision of this Lease shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Lease.

**13.20. Governing Law.** This Lease shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Lease and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of the Seventeenth Judicial Circuit of Broward County, Florida. To that end, LESSEE expressly waives whatever other privilege to venue it may otherwise have.

**13.21. Force Majeure.** Neither party shall be obligated to perform any duty, requirement or obligation under this Lease if such performance is prevented by fire, hurricane, earthquake, explosion, wars, sabotage, accident, flood, acts of God, strikes, or other labor disputes, riot or civil commotions, or by reason of any other matter or condition beyond the control of either party, and which cannot be overcome by reasonable diligence and without unusual expense ("Force Majeure"). In no event shall a lack of funds alone on the part of LESSEE be deemed Force Majeure.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**13.22. RADON GAS.** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit.

**13.23. Estoppel Certificate.** LESSEE agrees to furnish from time to time when requested by LESSOR, the holder of any deed of trust or mortgage or the LESSOR under any ground lease covering all or any part of the Leased Premises or the improvements therein or any interest of LESSOR therein, a certificate signed by LESSEE confirming and containing such factual certifications and representations as may be reasonably requested by LESSOR, the holder of any deed of trust or mortgage or the LESSOR under any ground lease covering all or any part of the Leased Premises or the improvements herein or any interest of Landlord therein, including without limitation:

- (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications);
- (b) that there have been no defaults thereunder by LESSOR or LESSEE (or if there have been defaults, setting forth the nature thereof),
- (c) the date to which the rent and other charges have been paid, if any, and
- (d) the amount of the security deposit, if any.

LESSEE shall, within ten (10) days following receipt of said proposed certificate from LESSOR, return a fully executed copy of said certificate to LESSOR and LESSEE'S failure to deliver such statement within such time shall be a default under this Lease. In the event LESSEE shall fail to return a fully executed copy of such certificate to LESSOR within the foregoing ten (10) day period, then LESSEE shall be deemed to have approved and confirmed all of the terms, certifications and representations contained in the certificate sent to LESSEE by LESSOR and LESSOR, any holder of a mortgage, any LESSOR under a ground lease and any purchaser of the Leased Premises may rely upon the accuracy of such certificate. Similarly, upon request from LESSEE, LESSOR shall provide LESSEE with an estoppel certificate on the same terms and conditions as set forth above.

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Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

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Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street





IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

**AS TO LESSOR:**

WITNESSES:

Adnan Ali

Adnan Ali  
[Witness print or type name]

Yin Ruedo

Yin Ruedo  
[Witness print or type name]

(CORPORATE SEAL)

CITY OF FORT LAUDERDALE

By: [Signature]  
John P. ("Jack") Seiler, Mayor

[Signature]  
Lee R. Feldman, City Manager

ATTEST:

[Signature]  
Jonda K. Joseph, City Clerk

APPROVED AS TO FORM:

[Signature]  
Robert B. Dunckel, Assistant  
City Attorney

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this July 11, 2013, by JOHN P. ("JACK") SEILER, Mayor of the City of Fort Lauderdale, a municipal corporation of Florida. He is personally known to me and did not take an oath.

(SEAL)

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

[Signature]

[Signature]

[Signature]

Notary Public, State of Florida  
(Signature of Notary taking  
Acknowledgment)

Safeya Ali Maloney

Name of Notary Typed,  
Printed or Stamped

My Commission Expires: Dec 4, 2014

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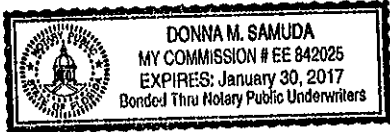
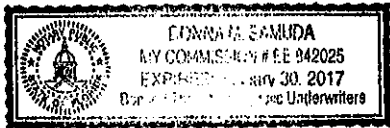
Commission Number



STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this 9th July, 2013, by LEE R. FELDMAN, City Manager of the City of Fort Lauderdale, a municipal corporation of Florida. He is personally known to me and did not take an oath.

(SEAL)



Donna M. Samuda  
Notary Public, State of Florida  
(Signature of Notary taking  
Acknowledgment)

DONNA M. SAMUDA  
Name of Notary Typed,  
Printed or Stamped

My Commission Expires January 30, 2017

EE 842025  
Commission Number

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

**AS TO LESSEE:**

**BROWARD COUNTY MINORITY BUILDERS' COALITION, INC.,** a Florida not for profit corporation

By: [Signature]  
Brian Johnson, President

[Signature]  
ANTHONY D. WRIGHT  
[Witness type or print name]

[Signature]  
HOLLY BAARNES  
[Witness type or print name]

CORPORATE SEAL



ATTEST:  
[Signature]  
BRIAN C. JOHNSON, PRES/CEO  
[Type or Print Name and Title]

STATE OF FLORIDA:  
COUNTY OF BROWARD:

The foregoing instrument was acknowledged before me this 26 day of June, 2013, by, Brian Johnson, President of BROWARD COUNTY MINORITY BUILDERS' COALITION, INC., a Florida not for profit corporation. He is personally known to me or produced \_\_\_\_\_ as identification and did take an oath.

(SEAL)

[Signature]  
Notary Public, State of Florida  
(Signature of Notary taking Acknowledgment)  
JANICE HAYES  
MY COMMISSION # DD991674  
EXPIRES: August 03, 2014  
1-800-3-NOTARY Fl. Notary Discount Assoc. Co.  
Name of Notary Typed,  
Printed or Stamped

My Commission Expires: August 3, 2014

DD991674  
Commission Number

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

[Handwritten initials]

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**LIST OF APPROVED HAZARDOUS SUBSTANCES  
USED BY LESSEE  
IN THE NORMAL COURSE OF RESIDENTIAL OCCUPANCY**

(See § 5.02 of the Lease)

1. Gas & Oil for lawn and landscape maintenance.
2. Common household cleaning products.
3. Common pest control products.

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street



## EXHIBIT "A"

### COMMUNITY DEVELOPMENT BLOCK GRANT COMPLIANCE REQUIREMENTS

The Participant acknowledges and understands that Community Development Block Grant (CDBG) funds were used to rehabilitate these properties. As a result, the use of Leased Premises is subject to CDBG rules and regulations.

#### National Objectives

All activities funded with CDGB funds must meet one of the CDBG program's National Objectives: benefit low- and moderate-income persons; aid in the prevention or elimination of slums or blight; or meet community development needs having a particular urgency, as defined in 24 CFR 570.208. The Participant certifies that the activity(ies) carried out under this Lease Agreement will meet the National Objective of benefiting low and moderate income persons.

#### Performance Monitoring

The City will monitor the performance of the Participant against performance standards. Substandard performance as determined by the City will constitute noncompliance with this terms and conditions under the Lease Agreement. If action to correct such substandard performance is not taken by the Participant within the period(s) of time set forth in Section 11.4 of the Lease Agreement Participant shall be deemed in default of the terms of the Lease Agreement.

#### Annual Reports

The City requires an annual report outlining the status of the housing units and the eligibility of the clients (see **Exhibit "B"**). The report is due to the Housing & Community Development (HCD) Division by the October 15<sup>th</sup> of each year.

#### Calculating and Determining Income Eligibility

City and Participant acknowledge that HUD has three (3) different options that can be used when determining income: (1) HUD Part 5 Definition, (2) Census Long Form Definition and (3) IRS Form 1040 Definition.

The City of Fort Lauderdale and Participant shall use the HUD Part 5 definition of annual income when determining eligibility of an individual and/or household. The HUD Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the 12-month period following the date the determination of eligibility is made.

#### Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

General Compliance

The Participant agrees to comply with the requirements of Title 24 of the Code of Federal Regulations, Part 570 (the U.S. Housing and Urban Development regulations concerning Community Development Block Grants (CDBG)) including subpart K of these regulations, except that (1) the Participant does not assume the recipient's environmental responsibilities described in 24 CFR 570.604 and (2) the Participant does not assume the recipient's responsibility for initiating the review process under the provisions of 24 CFR Part.52. The Participant also agrees to comply with all other applicable federal, state and local laws, regulations, and policies governing the funds generated as a result of performance under the Lease Agreement. The Participant further agrees to utilize such funds generated as a result of performance under the Lease Agreement to supplement rather than supplant funds otherwise available.

Financial

Management

1. Accounting Standards

The Participant agrees to comply with 24 CFR 84.21-84.28 and agrees to adhere to the accounting principles and procedures required therein, utilize adequate internal controls, and maintain necessary source documentation for all costs incurred.

2. Cost

Principles

The Participant shall administer its program in conformance with OMB Circulars A-122, "Cost Principles for Non-Profit Organizations," or A-2 1, "Cost Principles for Educational Institutions," as applicable. These principles shall be applied for all costs incurred whether charged on a direct or indirect basis.

Documentation

and

Record

Keeping

1. Records to be Maintained

The Participant shall maintain all records required by the federal regulations specified in 24 CFR 570.506, which are pertinent to the activities under this Lease Agreement. Such records shall include but not be limited to:

- a. Records providing a full description of each activity undertaken;
- b. Records demonstrating that each activity undertaken meets one of the National Objectives of the CDBG program;
- c. Records required to determine the eligibility of activities;

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

- d. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;
- e. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;
- f. Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-84.28; and;
- g. Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

2. Retention

The records shall be available for inspection by the City or HUD representatives during all normal business hours. The Participant shall retain all financial records, supporting documents, statistical records, and all other records pertinent to the administration of the Lease Agreement and performance thereunder for a period of five (5) years after the termination of this Lease Agreement or LESSEE'S leasehold interest. Notwithstanding the above, if there is litigation, claims, audits, negotiations or other actions that involve any of the records cited and that have started before the expiration of the five-year period, then such records must be retained until completion of the actions and resolution of all issues, or the expiration of the five (5) year period whichever occurs later.

As used in this Lease Agreement, records shall include but not be limited to e-mails, memorandums, correspondence, accounting documents, receipts, invoices, minutes of meetings, surveys and any and all other documents or data either electronic, paper or both, associated in any way to the administration and implementation of this Lease Agreement and the receipt and disbursement of the federal funds generated pursuant to this Lease Agreement.

All records as described in this Lease Agreement are and shall remain the property of the City whether this Lease Agreement is in effect or not. Participant shall provide such documents to City within ten (10) days of City's written request at no cost or expense to City.

3. Client \_\_\_\_\_ Data

The Participant shall maintain client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, client name, address, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

4. Disclosure

Lease Agreement  
 Lessor: City of Fort Lauderdale  
 Lessee: Broward County Minority Builders Coalition, Inc.  
 Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

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The Participant understands that client information collected under this Lease Agreement is private and the use or disclosure of such information, when not directly connected with the administration of the City's or Participant's responsibilities with respect to services provided under this Lease Agreement, may be prohibited by state or federal law unless written consent is obtained from such person receiving service and, in the case of a minor, that of a responsible parent/guardian. Participant is responsible for identifying and following any state or federal law that may be applicable to disclosure.

5. Close-outs

The Participant's obligation to the City shall not end until all closeout requirements are completed. Activities during this closeout period shall include, but are not limited to: making final payments, disposing of program assets (including the return of all unused materials, equipment, unspent cash advances, program income balances, and accounts receivable to the City), and determining the custodianship of records. Notwithstanding the foregoing, the terms of this Agreement shall remain in effect during any period that the Participant has control over CDBG funds, including program income.

6. Audits & Inspections

The Participant shall arrange for an annual audit of its operations and financial management systems, in accordance with 24 CFR Part 84.26. The Participant shall pay for this audit at its own expense. The audit shall indicate compliance or non-compliance with HUD regulations. This audit shall be initiated within forty-five (45) days of the end of Participant's fiscal year in which fiscal year Participant received funds generated pursuant to this Lease Agreement. The Participant shall provide a copy of the final audit report to the City within thirty (30) days of receipt, but not later than six (6) months after the end of the audit period.

The Participant shall comply with the requirements and standards of OMB Circular Nos. A-110, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other non-Profit Organizations"; and A-122, "Cost Principles for Non-Profit Organizations"; and A-133 "Audits of States, Local Governments and Non-Profit organizations" that applies to agencies expending \$500,000 or more in federal funds in the last fiscal year and requires that such agencies have a single audit. A "single audit" refers to an agency-wide audit, as opposed to a program specific audit. The Participant shall arrange for an annual audit of its operations and financial management systems, in accordance with 24 CFR Part 84.26.

The City shall review the Participant's audit report and will require the Participant to implement corrective action noted in the audit. The City shall have the right to review any and all of the Participant's records regarding use of the funds disbursed hereunder.

If as a result of an audit or monitoring by the City and/or the Department of Housing & Urban Development's (HUD) Community Planning Division (CPD) or Office of Inspector General

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

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ABD



(OIG) or any other governing agency, results in a finding or ruling that the Participant provided funding of an ineligible activity or unallowable expense, the City shall be entitled to recover immediately upon demand from the Participant or any party joining in or consenting to this Lease Agreement, all ineligible or unallowable sums paid by the City to Participant pursuant to this Agreement.

All Participant records with respect to any matters covered by this Lease Agreement shall be made available to the City, grantor agency, and the Comptroller General of the United States or any of their authorized representatives, at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the Participant within 30 days after receipt by the Participant. Failure of the Participant to comply with the above audit requirements will constitute a violation of this Lease Agreement and may result in the withholding of future payments. The Participant hereby agrees to have an annual agency audit conducted in accordance with current City policy concerning Participant audits and OMB Circular A- 133.

Reporting and Payment Procedures

1. Program Income

The Participant shall report and return all program income (as defined at 24 CFR 570.500(a)) generated by activities / made available under this Lease Agreement. Program Income is defined as **annual rental income minus annual expenses**. The Participant shall provide an income and expense projection / pro forma to the City. All Program Income must be returned to the City by October 15<sup>th</sup> of each year.

Procurement

1. Compliance

The Participant agrees to adhere to 24 CFR Part 84 with regard to the purchase of all equipment and furnishings. Procurement of all items shall be conducted through open competition that may include price or rate quotations or sealed bids from at least two or more qualified sources or responsive bidders. Sole source procurement shall be used only in instances where items to be purchased are not available through open competition.

The Participant shall comply with current City policy concerning the purchase of equipment and shall maintain inventory records of all non-expendable personal property as defined by such policy as may be procured with funds provided herein. All program assets (unexpended program income, property, equipment, etc.) shall revert to the City upon termination of this Lease Agreement.

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

Unless specified otherwise within this Lease Agreement, the Participant shall procure all materials, property, or services in accordance with the requirements of 24 CFR 84.40-84.48.

Furnishings/Equipment/Supplies - Use and Reversion of Assets

The Participant agrees that any equipment, furnishings, and supplies purchased with funds obtained through this Lease Agreement, shall be continuously well maintained and kept in good condition and repair during their useful life. All of these equipment, furnishings, and supplies shall be kept in a secure location to prevent loss, damage, or theft. All equipment and furnishings acquired by the Participant shall become the property of the City upon the dissolution of Participant or upon Participant's failure to adhere to the terms of this lease.

Participant agrees to maintain property records that include a description of the equipment and furnishings purchased with funds received from the tenants, listing the location and general condition of said property, and a serial or other identification number. Such records shall also include the source of the property, which holds title, the acquisition date, the cost of the property, and the percentage of federal participation in the cost of the property. Such records shall be provided to the City on a monthly basis throughout the term of this Lease Agreement.

The Participant agrees that all equipment and furnishings purchased with funds obtained through this Lease Agreement shall be subject to a physical inventory. The results of said inventory must be reconciled with any existing property records on an annual basis.

Participant agrees that the equipment, supplies, and furnishings obtained as a result of this Lease Agreement shall not be sold, transferred, or otherwise disposed of, without the prior written consent of the City.

Participant agrees when property is no longer needed and it cannot be used to assist homeless or low-income persons, if the value of the property is less than \$5,000, participant may dispose of the property and retain the proceeds as miscellaneous revenue.

When property is no longer needed and it cannot be used to assist HUD eligible low-to-moderate income persons, if the value of the property is more than \$5,000, disposition instructions should be requested from the City.

The use and disposition of real property and equipment under this Lease Agreement shall be in compliance with the requirements of 24 CFR Part 84 and 24 CFR 570.502, 570.503, and 570.504, as applicable, which include but are not limited to the following:

1. The Participant shall transfer to the City any funds on hand and any accounts receivable attributable to the use of funds under this Lease Agreement at the time of expiration, cancellation, or termination of the Lease Agreement.

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

2. Real property under the Participant's control that was acquired or improved, in whole or in part, with funds generated under this Lease Agreement in excess of \$25,000 shall be used to meet one of the CDBG National Objectives pursuant to 24 CFR 570.208 until five (5) years after expiration of this Lease Agreement (or such longer period of time as the City deems appropriate). If the Participant fails to use CDBG-assisted real property in a manner that meets a CDBG National Objective for the prescribed period of time, the Participant shall pay the City an amount equal to the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, or improvement to, the property. Such payment shall constitute program income to the City. The Participant may retain real property acquired or improved under this Lease Agreement after the expiration of the five-year period (or such longer period of time as the City deems appropriate).

3. In all cases in which equipment acquired, in whole or in part, with funds under this Lease Agreement is sold, the proceeds shall be program income (prorated to reflect the extent to that funds received under this Lease Agreement were used to acquire the equipment). Equipment not needed by the Participant for activities under this Lease Agreement shall be (a) transferred to the City for the CDBG program or (b) retained after compensating the City (an amount equal to the current fair market value of the equipment less the percentage of non-CDBG funds used to acquire the equipment).

Civil

Rights

1. Compliance

The Participant agrees to comply with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, Section 104(b) and Section 109 of Title I of the Housing and Community Development Act of 1974 as amended, Section 504 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1990, the Age Discrimination Act of 1975, Executive Order 11063, and Executive Order 11246 as amended by Executive Orders 11375, 11478, 12107 and 12086.

2. Nondiscrimination

The Participant agrees to comply with the non-discrimination in employment and contracting opportunities laws, regulations, and executive orders referenced in 24 CFR 570.607, as revised by Executive Order 13279. The applicable non-discrimination provisions in Section 109 of the HCDA are still applicable.

3. Affirmative Action

The Participant agrees that it shall be committed to carry out pursuant to the City's specifications an Affirmative Action Program in keeping with the principles as provided in President's Executive Order 11246 of September 24, 1966. The City shall provide Affirmative Action

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

guidelines to the Participant to assist in the formulation of such program. The Participant shall submit a plan for an Affirmative Action Program for approval prior to the first funds reimbursement request.

4. Women- and Minority-Owned Businesses (W/MBE)

Federal regulations require the Participant to use its best efforts to utilize local business firms, minority owned firms, women-owned firms or labor surplus area firms the maximum practicable opportunity to participate in the performance of its CDBG-funded activities (24 CFR 85.36(E) OR 84.44(B)). As used in this Exhibit, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. The Participant may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

5. Notifications

The Participant will send to each labor union or representative of workers with which it has a collective bargaining Agreement or other Agreement or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or worker's representative of the Participant's commitments hereunder, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

6. Equal Employment Opportunity and Affirmative Action (EEO/AM Statement)

The Participant will, in all solicitations or advertisements for employees placed by or on behalf of the Participant, state that it is an Equal Opportunity or Affirmative Action employer.

E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

7. Subagreement \_\_\_\_\_ Provisions

The Participant will include the provisions of Paragraphs VIII.A, Civil Rights, and VIII.A.3, Affirmative Action, in every subcontract or purchase order, specifically or by reference, so that such provisions will be binding upon each of its subcontractors.

8. Fair Housing and Equal Opportunity

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

The Fair Housing Act of 1988 (42 U.S.C. 3601-3620). In accordance with the Fair Housing Act, it is required that Participant administer all programs and activities related to housing and community development in a manner to affirmatively further the policies of the Fair Housing Act. Implementing regulations can be found at 24 CFR Part 100.

9. Section 504

The Participant agrees to comply with all federal regulations issued pursuant to compliance with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) ("Act"), which prohibits discrimination against the individuals with disabilities or handicaps in any federally assisted program. The City shall provide the Participant with any guidelines necessary for compliance with that portion of the regulations in force during the term of this Lease Agreement.

10. Age Discrimination

Section 109 of the Act further provides that any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified handicapped person as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to any program or activity funded in whole or in part with funds made available pursuant to the Act. Regulations implementing the Age Discrimination Act are contained in 24 CFR Part 146 and the regulations implementing section 504 are contained in 24 CFR Part 8.

11. Drug-Free Workplace

The Drug-Free Workplace Act of 1988 (42 U.S.C. 701), which requires grantees (including individuals) of federal agencies, as a prior condition of being awarded a grant, to certify that they will provide drug-free workplaces. Each potential recipient must certify that it will comply with drug-free workplace requirements in accordance with the Act and with HUD's regulations provided at 48 CFR Part 23.500, et seq.

12. Debarment and Suspension

E.O. 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR Part 24. This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

B. Employment Restrictions

1. Prohibited Activity

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

The Participant is prohibited from using funds provided herein or personnel employed in the administration of the program for: political activities; inherently religious activities; lobbying; political patronage; and nepotism activities.

2. Labor Standards

The Participant agrees to comply with the requirements of the Secretary of Labor in accordance with the Davis-Bacon Act as amended, the provisions of Agreement Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.) and all other applicable federal, state and local laws and regulations pertaining to labor standards insofar as those acts apply to the performance under this Lease Agreement. The Participant agrees to comply with the Copeland Anti-kickback Act (18 U.S.C. 874 et seq.) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The Participant shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the City for review upon request.

The Participant agrees that, except with respect to the rehabilitation or construction of residential property containing less than eight (8) units, all contractors engaged under Agreements in excess of \$2,000.00 for construction, renovation or repair work financed in whole or in part with assistance provided or generated pursuant to this Lease Agreement, shall comply with federal requirements adopted by the City pertaining to such Agreements and with the applicable requirements of the regulations of the Department of Labor, under 29 CFR Parts 1, 3, 5 and 7 governing the payment of wages and ratio of apprentices and trainees to journey workers; provided that, if wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Participant of its obligation, if any, to require payment of the higher wage. The Participant shall cause or require to be inserted in full, in all such Agreements subject to such regulations, provisions meeting the requirements of this paragraph.

3. "Section 3" Clause

a. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

b. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this Lease Agreement, the parties to this Lease Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

c. The Participant agrees to send to each labor organization or representative of workers with which the Participant has a collective bargaining Agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

d. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

e. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

g. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Lease Agreement, shall be a condition of the federal financial assistance provided or generated under this Lease Agreement and binding upon the City, the Participant and any of the Participant's participants and subcontractors. Failure to fulfill these requirements shall subject the City, the Participant and any of the Participant's participants and subcontractors, their successors and assigns, to those sanctions specified by the Lease Agreement through which federal assistance is provided or generated. The Participant certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

The Participant further agrees to comply with these "Section 3" requirements and to include the following language in all subcontracts executed under this Lease Agreement:

Lease Agreement

Lessor: City of Fort Lauderdale

Lessee: Broward County Minority Builders Coalition, Inc.

Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street

or in the award, or administration of, a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-Agreements. The requirement applies for such persons during their tenure and for a period of one year after leaving the organization. It is applicable to the procurement of supplies, equipment, construction, and services; acquisition and disposition of real property; provision of assistance to individuals, businesses or other private entities for all eligible activities at 24 CFR 570.201-204; and provision of loans to individuals, businesses, and other private entities.

The Code of Federal Regulations at 24 CFR 570.611, Conflict of Interest. In the procurement of supplies, equipment, construction, and services by Participant, the conflict of interest provisions in 24 CFR 84.42 shall apply. The Participant shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts.

c. No covered persons who exercise or have exercised any functions or responsibilities with respect to CDBG-assisted activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in any Agreement, or have a financial interest in any Agreement, subcontract, or Agreement with respect to the CDBG-assisted activity, or with respect to the proceeds from the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for a period of one (1) year thereafter. For purposes of this paragraph, a "covered person" includes any person who is an employee, agent, consultant, officer, or elected or appointed official of the City, the Participant, or any designated public agency.

## 5. Lobbying

The Participant hereby certifies that:

a. The Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) applies if the procurement contract amount is in excess of \$100,000. Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with

Lease Agreement  
Lessor: City of Fort Lauderdale  
Lessee: Broward County Minority Builders Coalition, Inc.  
Re: 1145 N.W. 5<sup>th</sup> Avenue & 1200 N.W. 3<sup>rd</sup> Street



non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the recipient.

b. No federal appropriated funds have been paid or will be paid, by or on behalf of Participant, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal agreement, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal agreement, grant, loan, or cooperative agreement.

c. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal agreement, grant, loan, or cooperative agreement, Participant will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and

d. Participant will require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and agreements under grants, loans, and cooperative agreements) and that all Participants shall certify and disclose accordingly; and

e. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, Title 31, U.S.C. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

6. Copyright

If actions under this Lease Agreement results in any copyrightable material or inventions, the City and/or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work or materials for governmental purposes.

7. Religious Activities

The Participant agrees that funds provided or generated under this Lease Agreement will not be utilized for inherently religious activities prohibited by 24 CFR 570.200(j), such as worship, religious instruction, or proselytization.

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