

LEASE AGREEMENT BETWEEN CITY OF DELRAY BEACH

AND OLD SCHOOL SQUARE INC.

STATE OF FLORIDA

COUNTY OF PALM BEACH

THIS LEASE, made this 31st day of July, 1989, by and between the CITY OF DELRAY BEACH, FLORIDA, a municipal corporation, hereinafter referred to as the "Lessor", and OLD SCHOOL SQUARE INC., hereinafter referred to as the "Lessee".

WITNESSETH:

WHEREAS, the Lessor is the owner of certain real estate together with the improvements thereon, formerly known as the "Delray Beach Elementary School", in the City of Delray Beach described in Exhibit A which is attached hereto and made a part hereof (said real estate and improvements being hereinafter called the "Property"); and

WHEREAS, the Lessor acquired the Property with a view to its use as a center for the arts, for science activities, and for cultural and educational and certain governmental activities of the community; and

WHEREAS, the Lessee was organized under the laws of the State of Florida as a non-profit corporation for the purpose of leasing, restoring, developing and operating the Property as a center for the arts and sciences and other cultural, governmental, and educational activities; and

WHEREAS, the Lessor and the Lessee desire to set forth their agreement with regard to the lease by the Lessee of the Property and the development and operation of the Property by the Lessee.

WHEREAS, the Lessor hereby lets and leases unto the Lessees on an "as-is" basis that portion of the land and the buildings and improvements thereon described in Exhibit A.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties, the Lessor hereby leases to the Lessee the Property upon the terms and conditions hereinafter set forth:

1. The preamble stated above is incorporated herein by reference.

2. Term of the Lease. This Lease shall begin on the 31st day of July, 1989 and shall continue for a term of 20 years, unless sooner terminated pursuant to the provisions hereof. Upon the expiration of the aforesaid term, this Lease may be renewed upon the express written consent of the Lessor for successive periods of five years.

3. Use of the Property. The Lessee shall use the Property for a center for the arts and sciences and for other cultural, governmental (for assembly purposes only), and educational purposes, and for all incidental uses in connection therewith that are not inconsistent with the Special Warranty deed attached hereto as Exhibit B. It is understood and agreed that the Lessee or various arts, science, governmental (for

assembly purposes only) and cultural groups which the Lessee may permit to make use of the Property may charge admission to the public for exhibits, entertainment and cultural events, performances and other presentations.

To facilitate the above stated uses, the Lessees shall restore and renovate the Property, with said restoration and construction to be completed over a five-year period from the date of the commencement of this lease, providing funding is available. The Lessee shall not make, or allow to be made, any unlawful, improper or offensive use of the leased premises which could be injurious to any person or property, or which would violate the laws of the State of Florida or of the United States, or any ordinance of the City of Delray Beach, or any administrative rules or regulations promulgated by the City Manager, or which would affect or endanger any insurance on said property (or increase any premium thereof which is at all borne by the Lessor) or which would violate any restrictive covenant, or any covenant whatsoever contained in the Special Warranty Deed.

4. Rent. The Annual rent shall be ONE DOLLAR (\$1.00) payable in advance on the first day of each calendar year.

5. Utilities. The Lessee shall pay all charges for telephone, power, water, sewer, gas and any other utilities used in connection with the Property.

6. Taxes. The Lessee shall pay any advalorem taxes imposed upon the Property and improvements located thereon during the term of this Lease. The Lessee shall pay any taxes for personal property or improvements owned by the Lessee.

7. Insurance. The Lessee shall pay all premiums and shall maintain and provide insurance for the entire lease term and renewals thereto, in such amounts and under such terms as may be required by Lessor. The Lessor shall review and modify the terms and requirements of such insurance, if necessary, on a yearly basis. The minimum insurance amounts and terms are contained within Exhibit C.

8. Alterations and Improvements. The Lessee shall be entitled to make such alterations, changes and improvements to the Property as the Lessee in its discretion deems desirable to carry out its plan for the restoration and development of the Property, and which are consistent with architectural plans and designs as approved by the Lessor (in order to keep the interior and exterior of the property in keeping with its historical landmark purpose) and with the laws and ordinances of the State of Florida and the City of Delray Beach.

9. Assignment and Subleasing.

(a) The Lessee may not sublease all or any portion of the Property, to any person, firm, corporation, or other entity, without the prior written approval of the Lessor, which approval shall not be unreasonably withheld, and any such sublease or other arrangement shall be in writing and expressly be subject to all the terms and conditions of this Agreement and shall conform to all applicable laws, ordinances and regulations.

(b) Subparagraph (a) shall not apply to special events or special property uses contemplated in the management agreement or budget, or brief uses of the Property by the public.

(c) The Lessee shall not assign any of its rights or obligations under this Lease without the prior written consent of the Lessor.

10. To Keep in Repair and in Good Condition. The Lessee will keep the leased premises, including but not limited to the heating and air-conditioning equipment and excluding the exterior walls, parking lot, exterior landscaping and irrigation, roof and other structural members of the building in such or better repair as the same are at the commencement of this lease term or at the renewal hereof, reasonable wear and tear and damage by fire or other unavoidable casualty excepted. It is explicitly agreed that the duty of the Lessee shall include furnishing all necessary janitorial and cleaning services, pest control service, care and maintenance of the structures located on the Property and any interior renovation or redecoration not involving major structural changes.

11. Equipment and Fixtures. All equipment, furniture, supplies and personal property that are not fixtures installed in the Property by the Lessee shall at all times remain the property of the Lessee which shall have the right to remove the same from the Property at any time during the term hereof.

12. Fire or Other Unavoidable Casualty. In case the premises or any part thereof shall at any time during their term of this lease be destroyed or damaged by fire, act of God or other causes beyond the control of the Lessor, and through no fault or neglect on the part of the Lessor, then the Lessor shall be under no obligation to repair or re-erect the leased structure. If the condition of the leased premises should be so rendered unsuitable by the foregoing causes, either party to this lease agreement shall have the option to cancel this lease.

13. Signs. The Lessees agree that at the further request of the Lessor it shall erect an identification sign on the subject property that lists both the Lessor and Lessees' names, and identifies the subject structure, with the colors, size,

configuration, and location of such sign to be expressly approved in advance by the City Manager or his/her designee. All other exterior improvements, painting, or any other identification signs or markings shall be provided only in accordance with the applicable City of Delray Beach Code of Ordinances and with the express approval of the City Manager or his/her designee in advance.

14. Quiet Enjoyment. The Lessee shall peaceably hold and enjoy the leased premises.

15. Default and Right of Reentry. In the event that the Lessee shall fail to perform any act required of it under this Lease or to otherwise comply with any term or provision hereof and such failure shall continue for 30 days or more after written notice given to the Lessee by the Lessor, then the Lessor may terminate this Lease Agreement and the Lessee shall promptly surrender possession and vacate the premises, and the Lessor may, immediately or at any time thereafter, enter into the premises and repossess the same as of its former estate and expel the Lessees, but without prejudice to any remedies which might otherwise be used by the Lessor for arrears of rent or any other breach of the Lessees covenants or the waiver of any rights of the Lessor.

16. Cancellation. The Lessor and the Lessee do hereby reserve the right to mutually terminate this lease at any time in the future (either during the initial term or any renewal), upon sixty (60) days written notice to the other party at the address set forth in this lease agreement; provided, however, that in the event of termination by the Lessor, the Lessor agrees that it shall make reimbursements to the Lessee for any costs for capital expenditure additions to the structure, (less grant funds, bond funds or City funds previously

transferred to Lessee), subject to available funding, (but not for regular maintenance or care items) should the Lessor elect to terminate this lease in advance of the expiration of the initial term hereof, except if such termination be for breach of this Lease Agreement or violation of or failure to comply with any of the covenants set forth herein.

17. Amendment. No amendment or modification to this Lease shall be effected unless in writing and signed by both of the parties hereto.

18. Other Agreements. The Lessor and the Lessee may enter into a separate Management Agreement that sets forth additional terms and conditions and responsibilities for the occupancy of the Property. Such agreements shall be considered as if a part of this Lease Agreement and of the extent that there may be an express conflict with the terms and conditions of this Lease Agreement the terms and conditions of the Management Agreement shall prevail.

19. Inspection by Lessor. The Lessee shall permit the Lessor and its agents or representatives to enter upon the Property at all reasonable times to examine the condition thereof, and to make any repairs which it may see fit to make.

20. To Yield Up Premises. At the expiration of the term of this lease, the Lessee will peaceably yield up to the Lessor the Premises and all buildings thereon, in good repair in all respects, reasonable use and wear and damage by fire and other unavoidable casualties excepted.

21. Indemnification. The Lessee covenants that it will save harmless, indemnify and defend the Lessor, its officers, employees, and agents, from and against any and all loss,

liability or expense that is a result of the Lessees own negligence which may be incurred by reason of any claim or litigation arising out of or in connection with Lessees occupancy and use of the leased premises, including, but not limited to, any accident with the appliances and fixtures installed by Lessees, or the gas, water or other pipes, or from any damage or neglect by the Lessees arising from or in any way connected with the use, misuse or abuse of all utilities, or from any neglect of the Lessees in not removing foreign objects from the sidewalks, grounds, structure, or roof of the building.

22. Notice. Whenever notice is required hereunder, it shall be by Certified Mail, Return Receipt requested, addressed as follows, or delivered by hand to the location as follows until written notice of change of address is given to the other party:

Lessor	Lessee
City Manager's Office	Old School Square Inc.
100 N.W. 1st Avenue	51 South Swinton Avenue
Delray Beach, FL 33444	Delray Beach, FL 33444

23. Number; Gender. As the context herein may require, the singular shall be deemed to include the plural, and the masculine form shall be deemed to include the feminine and neuter.

24. To Bear Risk for Contents. That all building contents and interior improvements of any kind (whether owned by the Lessor or Lessees) that may be on the premises during the continuance of this Lease shall be at the sole risk of the Lessees, and that the Lessor shall not be liable to the Lessees or any other person for any injury, loss or damages to the property or to any person on the premises.

25. Not to Injure or Deface. The Lessee covenants that it will not injure, overload or deface, or allow to be injured, overloaded or defaced, the Property or any part thereof.

26. Mention in this lease of any particular remedy in favor of the Lessor shall not preclude the Lessor from any other remedy in law or in equity and shall be in addition to any other remedies conferred upon it by law or in equity.

27. No Waiver. That no assent, expressed or implied, by the Lessor to any breach of this Agreement shall be deemed to be a waiver of any succeeding breach of the same or other covenants.

28. Severability. If any clause, phrase, provision or portion of the Agreement or the application thereof to any person or circumstance shall be held by a court of competent jurisdiction to be invalid or unenforceable under the laws of the State of Florida, or any other pertinent jurisdiction, such event shall not affect, impair or render invalid or unenforceable the application of the remainder of this Agreement or any other clause, phrase, provision or portion hereof to any person or entity in any circumstances.

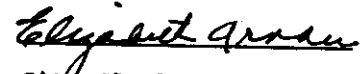
29. This Agreement constitutes the complete understanding and agreement between the parties and supersedes any and all prior oral or written agreements and understandings.

IN WITNESS WHEREOF, the Lessor and Lessees have set their hands and seals the day and year first written above.

LESSOR: CITY OF DELRAY BEACH,
FLORIDA

By: 
Mayor

ATTEST:

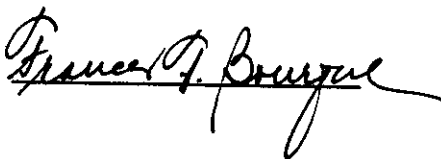

City Clerk

Approved as to form:


City Attorney

LESSEES:

OLD SCHOOL SQUARE INC.

By: 

STATE OF FLORIDA

COUNTY OF PALM BEACH

I HEREBY CERTIFY that on this date before me, an officer duly authorized in the state and county named above to take acknowledgments, personally appeared Frances F. Bourque, known to me to be the person described in and who executed the foregoing instrument as Chairman of OLD SCHOOL SQUARE, INC., a corporation organized under the laws of the state of Florida. He/she acknowledged before me that he/she executed the foregoing instrument on behalf of OLD SCHOOL SQUARE, INC., by its authority duly given and acknowledged that the said writing to be the act and deed of OLD SCHOOL SQUARE, INC.

SWORN TO AND SUBSCRIBED before me this 20th day of July, 1989.

Ingrid V. Strand
Notary Public

My Commission Expires: NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. AUG. 24,
BONDED THRU GENERAL INS. UN