**LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (Agreement) is entered into as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Commencement Date), between the **PALM COAST ARTS FOUNDATION, INC.** (Tenant), whose mailing address is P.O. Box 35176, Palm Coast, 32135 and the **CITY OF PALM COAST, FLORIDA** (Landlord), whose mailing address is 106 Cypress Point Parkway, Suite B-106, Palm Coast, Florida 32164.

**W I T N E S S E T H:**

**SECTION 1. PREMISES**. Subject to the terms hereof, and to zoning and restrictions of record, and in consideration of the mutual benefits and obligations set forth hereafter, Landlord leases to Tenant and Tenant leases from Landlord the Premises located in Flagler County, Florida, mort particularly described as follows (the “Premises”):

**Lot 20, of the subdivision plat of Town Center at Palm Coast**

**Phase 2, according to the plat thereof, as recorded in Map Book 35, Pages**

**63 through 68, of the Public Records of Flagler County, Florida.**

**Property Appraiser’s Parcel ID #06-12-31-5825-00000-0200.**

**SECTION 2. TERM.** This Agreement shall be for a term of five (5) years, commencing on the Commencement Date and expiring \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_; provided, however, that the parties may extend this Agreement for an additional five (5) years under said terms, conditions, and provisions as may be mutually agreed by the parties. Also, provided that this Agreement will terminate upon Tenant’s filing with Landlord of an application for a building permit for the Premises, and the parties shall thereafter consider negotiating a new long-term lease of the Premises.

**SECTION 3. RENT.** Tenant shall pay to Landlord during the term of this Agreement, an annual Rent in the amount of ONE DOLLAR ($1.00) in advance, without demand, reduction or set-off (the “Rent”).

**SECTION 4. USE.** Tenant shall use and occupy the Premises only to erect a sign. Tenant must obtain all necessary government approvals for the sign. Tenant shall not use the Premises in a disreputable, ultra-hazardous or unlawful manner, or in any manner that would constitute a public or private nuisance. Tenant shall not perform any acts on the Premises that would generate noxious odors or annoying noises.

**SECTION 5. HAZARDOUS SUBSTANCES**. Tenant shall not use, store, generate, dispose of, release or otherwise handle or process any hazardous substance on or about the Premises. Should Tenant violate this provision, then Tenant shall indemnify, defend, and hold Landlord harmless from all claims, charges, penalties, fines, liabilities, costs (including clean-up costs), and all other obligations and expenses arising directly or indirectly from such violation.

**SECTION 6. QUIET ENJOYMENT**. Upon paying the Rent and performing all other covenants and obligations under this Agreement, Tenant shall hold the Premises free from disturbance.

**SECTION 7. REDELIVERY**. Tenant covenants that at the termination of this Agreement, whether by expiration, default or otherwise, Tenant shall promptly re-deliver the Premises to Landlord free from subtenancies and in the condition the Premises are presently in, reasonable use and wear excepted. Any personal property or trade fixtures remaining on the Premises three (3) days after termination shall be deemed abandoned by Tenant, and may be disposed of as Landlord deems fit at Tenant’s expense. All personal property or fixtures located in the Premises on the Commencement Date shall be redelivered in good condition with the Premises.

**SECTION 8. ACCEPTANCE OF PREMISES**. Tenant acknowledges that Landlord has made no representation or warranty that the Premises are fit for Tenant’s intended use. Tenant has inspected the Premises, and Tenant accepts the Premises “as is”.

**SECTION 9. INDEMNIFICATION/LIABILITY/LOSS**. The Landlord is protected by sovereign immunity. The Tenant shall indemnify, defend and save the Landlord harmless, from and against all claims, demands, obligations, liabilities, penalties, fines, charges, costs and expenses, including, but not limited to, attorney’s fees, costs and expenses for the defense thereof, arising from occurrences on or about the Premises and from the Tenant’s negligent activities thereon. Should claim be brought against the Landlord or the Landlord be made a party to any action relating to the Premises, then the Tenant shall reimburse the Landlord for all attorney’s fees, costs and expenses incurred by the Landlord in connection with the claim or action. The Tenant shall provide premises and property liability insurance acceptable to the Landlord and naming the Landlord as an additional insured (and provide proof thereof) with coverage limits in an amount of no less than $1,000,000.00 combined single limit.

**SECTION 10. NO ASSIGNMENT WITHOUT CONSENT**. Tenant cannot assign this Agreement or any of Tenant’s rights hereunder, nor sublet the Premises or any portion thereof.

**SECTION 11. DEFAULT**. Landlord, at its option, may terminate this Agreement on three (3) days’ notice to the Tenant: (a) if any Rent due hereunder is not paid when due; or (b) if the Premises are abandoned by Tenant or otherwise become and remain vacant or deserted for a period of ten (10) days or more; or (c) if the Premises are used for some purpose other than the use authorized herein; or (d) if Tenant shall have failed to cure a default in the performance of any other provision of this Agreement or any rule or regulation set forth herein within ten (10) days after written notice thereof to Tenant from Landlord, or if such default cannot be completely cured in such time, if Tenant shall not promptly proceed in good faith to cure such default within said ten (10) days, or shall not complete the curing of such default with due diligence; or (e) if the City Council decides it is in the public interest to terminate. In the event that Landlord elects to terminate this Agreement, then, upon the expiration of the aforesaid three (3) day notice period, Tenant shall remain liable for damages to the maximum extent provided herein or permitted by law.

**SECTION 12. DESTRUCTION OF PREMISES**. In the event that the Premises or a portion thereof is destroyed or damaged by fire or other casualty, then Landlord may or may not elect to repair or rebuild the Premises or to terminate this Agreement. If Landlord elects to terminate this Agreement, Tenant shall promptly surrender possession of the Premises to Landlord and neither Landlord nor Tenant shall have any remaining obligations hereunder, except any obligations owed by Tenant that accrued before the casualty, which obligations Tenant shall forthwith settle. Landlord shall not be liable for any damages, inconvenience, or annoyance to Tenant resulting from any damage to the Premises or from the repair or replacement thereof, and shall not be liable for any delay in restoring the Premises unless arising from the Landlord’s negligent or wrongful action. If Tenant’s negligence or the negligence of Tenant’s agents, employees or invitees results in damage or destruction to the Premises, then notwithstanding any other provision of this Agreement, Tenant shall be obligated to pay the cost or repair, replacement or restoration that exceeds any available insurance proceeds therefore, and Rent shall not abate during the period of repair or restoration.

**SECTION 13. LIABILITY FOR LOSS OF PERSONAL PROPERTY**. All personal property placed or moved in the Premises shall be at the risk of Tenant. Landlord shall not be liable for any damage to person or to property occurring on the Premises or related to Tenant’s use thereof including, but not limited to, damages arising from the bursting or leaking of water pipes.

**SECTION 14. ALTERATIONS**. Tenant shall not make any alterations to the Premises without first obtaining the written consent of Landlord. Any alterations so approved by Landlord shall (a) be made in a good and workmanlike manner; (b) be paid for in full by Tenant; (c) be made with materials of comparable or better quality than are already in place; and (d) not weaken the Premises or cause a reduction in fair market value of the Premises.

**SECTION 15. ACCESS TO PREMISES**. Landlord may enter the Premises at any time for the protection or preservation of the Premises.

**SECTION 16. COST OF COLLECTION AND ATTORNEY’S FEES**. In the event of legal proceedings between the parties, the prevailing party in such proceedings shall be entitled to have its costs and attorneys’ fees, including costs and attorneys’ fees for appellate proceedings, paid by the non-prevailing party.

**SECTION 17. LIENS**. Tenants agrees to keep the Premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant’s acts or omissions and Tenant shall indemnify and defend, to the extent and limits permitted by law, Landlord against any claim or action brought to enforce any lien imposed on the Premises because of Tenant’s negligent act or omission. Except as specifically provided otherwise herein, Tenant shall have 10 days after receiving notice of any such lien or encumbrance to have such removed. If Tenant fails to have such removed within that time, Tenant shall be in default.

**SECTION 18. WAIVER**. No act of a party shall be deemed a waiver of any of the party’s rights hereunder, unless such waiver is specifically made in writing. A party’s forbearance to enforce any rights hereunder or to exercise any available remedy, or to insist upon strict compliance herewith, shall not be deemed a waiver or forfeiture of such rights, remedies, or strict compliance, nor shall such forbearance stop the party from exercising any available rights or remedies or from requiring strict compliance in the future. Landlord’s acceptance of any late or inadequate performance including, but not limited to, late or insufficient payments of Rent, shall not constitute a waiver or forfeiture of Landlord’s right to treat such performance as an event of default or to require timely and adequate performance in the future.

**SECTION 19. NOTICES**. All notices or other communication required or permitted to be given pursuant to this Agreement shall be in writing and shall be construed as properly given if mailed by registered or certified mail with return receipt requested. It is agreed that notice so mailed shall be reasonable and effective upon the expiration of three (3) business days after its deposit. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the parties shall be the address as follows:

**Palm Coast Arts Foundation, Inc. City of Palm Coast, Florida**

**P.O. Box 35176 160 Cypress Point Parkway**

**Palm Coast, Florida 32135-1766 Suite B-106**

**Palm Coast, Florida 32164**

**SECTION 20. CONSTRUCTION OF LEASE AGREEMENT.** Whenever the context permits, or requires the use of the singular in this Agreement shall include the plural and the plural shall include the singular. Any reference herein to one gender shall likewise apply to the other gender and to the neuter; and any reference herein to the neuter shall refer likewise to one or both genders. Any reference herein to a person shall include trusts, partnerships, corporations, and other entity, as appropriate.

**SECTION 21. CAPTIONS.** The captions to the provisions of this Agreement are for convenience and reference only and in no way define, limit or describe the scope or intent of this Agreement nor in any way effect the substance of this Agreement.

**SECTION 22. APPLICABLE LAW/VENUE**. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Venue shall be in the Seventh Judicial Circuit in and for Flagler County, Florida.

**SECTION 23. SURVIVABILITY**. The parties agree that all of Tenant’s indemnities, representations and warranties made herein, shall, to the extent and limits permitted by law, survive the termination or expiration of this Agreement and that the termination or expiration hereof shall not release Tenant from any accrued, unfulfilled or unsatisfied liabilities or obligations.

**SECTION 24. MERGER.** No prior or present agreements or representations shall be finding upon the parties hereto unless incorporated in this Agreement. No modification or change in this Agreement shall be valid or binding upon the parties unless a writing is executed by the parties to be bound thereby.

**SECTION 25. PARTIES BOUND**. This Agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of the parties. In the event Landlord or any successor-owner of the Premises shall convey or otherwise dispose of the Premises, all liabilities and obligations of Landlord, or any successor-owner as Landlord, to Tenant under this Agreement shall terminate upon such conveyance or disposal and the giving of written notice thereof to Tenant.

**SECTION 26. SEVERABILITY**. If any provision of this Agreement should be in conflict with any public policy, statute or rule of law, or is otherwise determined to be invalid or unenforceable, then such provision shall be deemed null and void to the extent of such conflict, but without invalidating the remaining provisions.

**SECTION 27. ACCORD AND SATISFACTION**. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earlier Rent, nor shall any endorsement tor statement on any check or any letter accompanying any check or Rent payment be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's ’right to recover the balance of such Rent or pursue any other remedy provided in this Agreement.

**SECTION 28. TIME PERIODS**. Time is of the essence in this Agreement. Any reference herein to time periods of less than six (6) days shall exclude Saturdays, Sundays, and legal holidays; and any time period provided for herein that ends on a Saturday, Sunday or legal holiday shall extent to 5:00 p.m. of the next full business day.

**SECTION 29. RECORDING.** This Agreement shall be recorded in the Land Records of Flagler County, Florida.

**IN WITNESS WHEREOF**, the undersigned have hereunto set their hands and seals on the date stated.

Witnesses: **TENANT:**

**PALM COAST ARTS FOUNDATION, INC.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Printed Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**LANDLORD:**

**CITY OF PALM COAST, FLORIDA**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Jim Landon, City Manager

**ATTEST:** Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Virginia A. Smith, City Clerk

**APPROVED AS TO FORM AND CONTENT:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

William E. Reischmann, Jr., Esquire, City Attorney