

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Council Members

FROM/PHONE: Chris Kovanes, Programs Administrator/797-1102

SUBJECT: Resolution

AFFECTED DISTRICT: District 4

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE TOWN ADMINISTRATOR TO EXECUTE THE PURCHASE CONTRACT FOR THE PARCEL KNOWN AS VAN KIRK.

REPORT IN BRIEF: For a number of years the Town of Davie sought to purchase a large track of land to develop a wetland park. A few years ago a suitable parcel was identified and Town representatives vigorously sought to acquire the property.

During the negotiation period, Town staff diligently sought funding sources to offset the costly purchase price. A Florida Community Trust Grant was applied for and due to a well presented project, was awarded \$4.5 million towards the purchase price. In addition, staff applied to the County Land Preservation Bond Program and was awarded an additional \$2 million towards the property purchase.

To assist with the negotiations in May 2003, the Trust for Public Land was contacted. Trust Staff assisted in moving the negotiations forward and were willing to purchase the property with their own funds and hold it for the Town until all grant funds were received. Due to what was considered a very high carrying cost the Trust was to charge for this service, Town staff finished the negotiation process. Specific terms were finally agreed to and a purchase contract was forwarded to the Town Attorney. The purchase price is \$8.9 million, \$77,391. per acre. Appraisals will be completed during the due diligence period.

On October 29, 2003, the Town Administrator received the signed contract from the seller, Southern Homes, Inc.

PREVIOUS ACTIONS: Town award \$4.5 million grant from Florida Community Trust, Town awarded \$2 million from County Land Preservation Bond Program.

CONCURRENCES: N/A

FISCAL IMPACT: \$8.9 million

Has request been budgeted? Yes

If yes, expected cost: \$8.9 million

Account Name: Capital Projects

If no, amount needed: What account will funds be appropriated from:

RECOMMENDATION(S): Motion to approve this resolution

Attachment(s): Subject Site Map, Resolution, Contract

Davie Parcel Viewer - Microsoft Internet Explorer

File Edit View Favorites Tools Help

Address: <http://maps.millerlegg.com/website/davie/parcels/viewer.htm>

Davie Parcel Viewer

Layers

Visible Active

- Water
- town_bndry_2002
- Davie streets
- Parcels
- FEMA zones 1996
- Aerial

Refresh Map

Map created with ArcIMS - Copyright (C) 1992-2001 ESRI Inc.

Parcels

Rec	FOLIO_NUMB	TOWNSHIP	RANGE	SECTION	AREA	SUBDIVISIO	LOT	NAME_LINE1	NAME_LINE2	ADDRESS_L1	ADDRESS_L2	LEGAL_LINE	#SHAPE#
1	504014020010	50	40	14	5012995.63618	02	1	STERLING LAKES DEV CORP		3842 W 16 AVE	HIALEAH FL 33012	VAN KIRK GROVE SUB OF W1/2	[polygon]

Select Rectangle

Map: 876818.18 , 640529.38 -- Image: 515 , 361 -- ScaleFactor: 8.264565989776423

Internet

Van Kirk Subject Site

RESOLUTION _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE TOWN ADMINISTRATOR TO EXECUTE THE PURCHASE CONTRACT FOR THE PARCEL KNOWN AS VAN KIRK.

WHEREAS, the Town of Davie recognizes the need to preserve open space; and

WHEREAS, the Town of Davie has chosen the parcel known as Van Kirk to be bought for the purpose of wetland and upland restoration; and

WHEREAS, the Town of Davie has obtained grant dollars for this acquisition through the State of Florida and Broward County grant opportunities; and

WHEREAS, a contract of the purchase of the parcel known as Van Kirk has been written.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA.

SECTION 1. The Town Council of the Town of Davie hereby grants the Town Administrator authority to execute the purchase contract for the parcel known as Van Kirk;

This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2003.

MAYOR/COUNCILMEMBER

ATTEST:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2003.

CONTRACT FOR SALE AND PURCHASE

THIS CONTRACT FOR SALE AND PURCHASE is made this ____ day of _____, 2003, by and between the **TOWN OF DAVIE**, a municipal corporation of the State of Florida (hereinafter referred to as "**TOWN**"), whose address is 6591 SW 45th Street, Davie, Florida 33314; and **SOUTHERN HOMES OF DAVIE III, LLC**, a Florida Limited Liability Company, (hereinafter known as "**SELLER**"), whose address is 12900 SW 128th Street, #100, Miami, Florida 33186.

WHEREAS, **SELLER** is the owner of that certain real property described in Exhibit "A" attached hereto and made a part hereof which **PROPERTY** is located within the Town of Davie, Broward County, Florida (the "**PROPERTY**"); and

NOW THEREFORE, in consideration of the mutual promises, covenants and payments contained herein, the parties hereto agree as follows:

1. The aforesaid recitations are true and correct and are incorporated herein.
2. **PROPERTY**: The parties hereby agree that **SELLER** shall sell and **TOWN** shall purchase the real property described in Exhibit "A" attached hereto and made a part hereof, situate, lying and being in Broward County, Florida, upon the terms and conditions hereinafter set forth.
3. **PURCHASE PRICE**: **TOWN**, as Purchaser, agrees to pay as and for the total purchase price for the **PROPERTY** in the manner and at the time hereinafter specified, the total sum of **EIGHT MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,900,000.00)**, subject to the credits, prorations and adjustments hereinafter specified. **BUYER** shall give to **SELLER** a deposit of **TEN THOUSAND DOLLARS (\$10,000.00)** within ten (10) days after the execution of this Contract. Said deposit sums shall be held in escrow in the Town Attorney's Trust Account.

This Contract shall be subject to the approval by the Davie Town Council and executed by the Town upon receiving such approval. The **TOWN** shall have a period of forty five (45) days from the date of its execution of this Contract the option to cancel this Contract for any reason whatsoever.

The **SELLER** shall have a period of forty five (45) days from the date of its execution of this Contract the option to cancel this Contract for any reason whatsoever.

The proceeds of sale, adjusted for prorations or credits, if any, shall be paid at closing by check drawn on the **TOWN** payable to **SELLER**.

4. **CONVEYANCE**: The **PROPERTY** shall be conveyed by **SELLER** to **TOWN** at closing by delivery of a properly executed and acknowledged Special Warranty Deed with Grantor covenants in statutory form, subject only to the following ("Acceptable Exceptions"):
 - (A) Zoning regulations and prohibitions imposed by governmental authority.
 - (B) Taxes for the year of closing and subsequent years.
 - (C) Matters of record not objected to by Buyer and those to which Seller has not agreed to cure.

5. **DUE DILIGENCE:** TOWN shall have forty five (45) days from the date of the execution of this Contract by SELLER and BUYER, in which to conduct its due diligence.

6. **PRORATION OF TAXES:** In the event the date of closing shall occur between January 1 and November 1, SELLER shall, in accordance with Florida Statutes §196.295, place in escrow with the Broward County Revenue Collection Division the amount of money determined by the Broward County Revenue Collection Division as being due pursuant to Florida Statutes §196.295.

7. **GENERAL PROVISIONS:** Any charges to be prorated shall be prorated as of the date of the closing.

8. **CLOSING:** It is agreed that this transaction shall be closed and TOWN shall pay the purchase price, adjusted as provided herein, and execute all papers or documents necessary to be executed by TOWN and SELLER shall execute all papers and documents necessary to be executed by SELLER under the terms and conditions of this Contract on or before January 5, 2004. The closing shall take place at the TOWN's office, or such other place as TOWN designates. However, nothing contained in this Article shall act or be construed as a limitation of any sort upon the TOWN's right to examine the Abstract, or the TOWN's right to require SELLER to cure defects in Title, if any, or as a limitation of other time established herein for TOWN'S benefit.

9. **EVIDENCE OF TITLE:** Attached hereto as Exhibit B is a commitment for an owners title insurance policy previously issued to Seller with copies of all referenced documents attached (the "Commitment"). The Commitment evidences that the Seller is vested with fee simple title to the property, free and clear of all liens, encumbrances, except for those matters described in Schedule B, Section II of the commitment which shall be "Permitted Exceptions" herein, and those matters that are to be discharged by the Seller on or before the closing date. The Commitment reflects and the parties agree that upon the execution, delivery and recordation of the deed to be delivered pursuant to this agreement and the satisfaction of all requirements specified in Schedule B, Section I of the Commitment, buyer shall, other than the "Permitted Exceptions" herein, acquire fee simple title to the Property and sole possession thereof, however, the Buyer's attorney shall update title to the Property prior to Closing and if the Buyer determines that there is a title defect at that time, or encumbrances restricting the use of the Property other than those matters which may come of record in conjunction with the proposed use of the Property and/or matters that come of record as the result of acts of Buyer or its Assignee, not reflected in the "Commitment", the Buyer shall notify Seller and Seller's attorney in writing of such defects within five (5) days after receipt of the updated title commitment. Seller shall use diligent effort to removed any and all such defects or encumbrances, (other than those encumbrances to be satisfied at closing), within a period of sixty (60) days from the date Seller is notified of same, including the bringing of any necessary lawsuit, however, Seller and or underlying Seller shall have no obligation to bring to lawsuit or incur costs in excess of Five Thousand Dollars (\$5,000.00). If costs to cure the title defects exceed Five Thousand Dollars (\$5,000.00), the buyer shall have the option to pay any costs in excess of the Five Thousand Dollars (\$5,000.00) or cancel the contract. Buyer shall not have the right to object to title or to terminate this Agreement by reason of any defects in title which are caused by acts of Buyer and/or its assignee.

If Seller is not able to remove all such defects in the foregoing time period, Buyer shall have the option of either: (i) proceeding hereunder with title to the Property in its existing condition without adjustment to the Purchase Price; (ii) terminating this Agreement and receiving back the Deposit, and thereafter, neither Buyer nor Seller shall have any further rights or obligations hereunder, other than those matters herein provided that survive termination.



At the Closing, Seller shall convey or cause underlying Seller to convey marketable title to Buyer, to the Property. Marketable title shall be determined according to the Uniform Title Standards adopted by the Florida Bar. The Seller covenants and agrees that it will discharge all liens against the Property, other than the Permitted Exceptions, and other than liens caused by Buyer or its assigns, no later than the Closing Date.

10. **PRORATIONS AND CLOSING COSTS:**

A. Prorations. The following items shall be prorated and adjusted as of the midnight preceding the Closing Date, except as otherwise specified.

i. Assessments and Taxes: All unpaid ad valorem taxes due and payable within the calendar year shall be prorated between the Buyer and the Seller as of midnight prior to the Closing Date. Seller agrees to promptly forward to Buyer any property tax statements on the property received by the Seller after closing and if Seller fails to do so, shall be liable for any penalties Buyer has to pay because of Seller's failure.

ii. Pending and Certified Liens: Certified liens, as of the Closing Date, levied by any governmental authority shall be paid by the Seller. If the improvements incident to any pending lien(s) have been substantially completed as of the Closing Date, then, in such event, such pending lien(s) shall be considered, for purposes hereof, to be certified, and Seller shall be charged at Closing an amount equal to the last estimate of the assessment for such improvements. Seller may use a portion of the proceeds of sale due to the Seller to pay certified liens.

iii. Other Items: All other items required by any other provision of this Agreement to be prorated or adjusted or, absent express reference thereto in this Agreement, items normally prorated in the county where the Property is located, shall be prorated in accordance with the standards prevailing in Broward County, Florida.

B. Buyer's Closing Costs. Buyer shall pay for certain items prior to or at the time of Closing, as follows: (i) documentary stamp tax to be affixed to the Deed; (ii) the cost to update the prior OTP or the issuance of the Title Commitment; (iii) the premium incident to the examination and issuance of Owner's Title Insurance Policy as heretofore provided in this Agreement; (iv) any and all costs associated with the obligation to provide marketable title to the Property and any recording of any instruments; and (v) updated survey if required by Buyer.

C. Seller's Closing Costs. ^{Seller} ~~Buyer~~ shall pay for certain items prior to or at the time of Closing on the Property as follows: (i) recording of the deed; (ii) Tangible personal property taxes; and (iii) the cost of recording any corrective instruments that the Town deems necessary to assure good and marketable title.

D. Attorney's Fees and Costs. Each party shall pay their own attorney's fees and costs.

11. **SPECIAL ASSESSMENTS AND PENDING LIENS.** Liens for special assessments shall be paid by SELLER prior to closing or credited to TOWN, as hereinafter provided. The amount of a certified lien shall be discharged by SELLER prior to closing, and SELLER shall exhibit appropriate receipts, satisfactions or releases providing such payment, or in the alternative, SELLER shall cause said lien(s) to be satisfied out of the proceeds of sale received by SELLER at closing.

12. **MECHANIC'S LIENS:** SELLER hereby represents and warrants to TOWN that as of the date hereof and as of closing, there are and shall be no claims or potential claims for mechanic's liens, either statutory or at common law, and that neither SELLER nor SELLER's agent has caused to be made on the PROPERTY within ninety (90) days immediately preceding the date of this Contract any improvements which could give rise to any mechanic's liens. In addition, SELLER represents and warrants to TOWN that neither SELLER nor SELLER's agent shall cause any improvement to be made on the PROPERTY within the date of full execution of this Contract and closing which could give rise to any mechanic's liens for which any bills shall remain unpaid at closing.

(A) If any improvements have been made within said ninety (90) day period, SELLER shall deliver releases or waivers of all mechanic's liens executed by general contractors, subcontractors, suppliers or materialmen in addition to SELLER's Mechanic's Lien Affidavit setting forth the names of all such general contractors, subcontractors, suppliers and materialmen and further reciting that in fact all bills for work to the PROPERTY which could serve as the basis for a mechanic's lien have been paid.

13. **TIME OF THE ESSENCE:** Time is of the essence throughout this Contract.

14. **PUBLIC DISCLOSURE:** SELLER agrees to make disclosures in accordance with Florida Statutes §286.23.

15. **BROKER'S COMMISSIONS:** Each party represents to the other that there is no real estate commission due and owing to any party whatsoever by reason of this Contract.

16. **DEFAULT:**

(A) In the event SELLER should refuse, neglect or otherwise fail to carry out any of the terms and conditions of this Contract, this Contract may be terminated at TOWN's election, or the TOWN may sue for specific performance.

(B) In the event TOWN should refuse, neglect or otherwise fail to carry out any of terms and conditions of this Contract, SELLER's sole and exclusive remedy shall be retention of all deposits made by the TOWN under this Contract.

(C) In any litigation (including all appeals) arising out of the Contract involving SELLER or TOWN, the prevailing party shall be entitled to recover all costs incurred, including reasonable attorney's fees.

17. **PERSONS BOUND:** The benefits and obligations of the covenants herein shall insure to and bind the respective heirs, personal representatives, successors and assign (where assignment is permitted) of the parties hereto. Whenever used, the singular number shall include the plural, the singular, and the use of any gender shall include all genders.

18. **SURVIVAL OF CONTRACT:** The covenants and representations in this Contract shall survive delivery of deed and possession for a period of three (3) years from the date of closing.



19. **WAIVERS:** Failure of either party to insist upon strict performance of any covenant or condition of this Contract, or to exercise any right herein contained, shall not be construed as a waiver or relinquishment for the future of any such covenant, condition or right; but the same shall remain in full force and effect. None of the conditions, covenants or provisions of this Contract shall be waived or modified except by the parties hereto in writing.

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

21. **CONTRACT EFFECTIVE:** This Contract or any modification, amendment or alteration thereto, shall not be effective or binding upon any of the parties hereto until it is approved by TOWN. This Contract is subject to the requirements of Florida Statutes §166.045 and approval of the Town Council is provided therein.

22. **ENVIRONMENTAL CONTAMINATION:** SELLER hereby grants to the TOWN the right to perform, or have performed, an environmental audit of the PROPERTY. The conduct of such an audit shall be a condition precedent to the closing of this sale and purchase.

- (A) In the event the environmental audit provided for results in a finding that environmental contamination (as defined in Florida Administrative Code Chapter 17-70) of the PROPERTY has resulted, the TOWN, at its sole discretion, may: (1) elect to terminate this Contract without further liability; (2) obtain a cost estimate from a reputable licensed environmental contamination and notify SELLER of the cost of cleanup of any environmental contamination and notify the SELLER of the cost estimate in writing, in which event the SELLER shall have the option of:
- (i) cleaning up the environmental contamination itself;
 - (ii) reducing the purchase price of the PROPERTY by the amount of the cost of estimate; or
 - (iii) elect to terminate the Contract without further liability.

BUYER shall have until December 20, 2003, to obtain the estimated cost of cleanup, if necessary, as determined by the environmental audit of the PROPERTY.

- (B) SELLER represents and warrants to TOWN that as of the effective date and as of closing that neither SELLER, nor to the best of SELLER's knowledge, any third party has used, produced, manufactured, stored, disposed of or discharged any hazardous waste or toxic substance in, under or about the PROPERTY during the time in which SELLER owned the PROPERTY.

23. **RADON:** Radon is a naturally occurring radioactive gas that when it has accumulated in a building in sufficient quantities, may present a health risk 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 testing may be obtained from the County Public Health Unit.

24. **FAX COPIES AND EFFECTIVE DATE:** A facsimile copy of this Agreement (“Agreement”) and any signatures hereon shall be considered for all purposes as originals. Said facsimile copies signed in multiple counterparts, each of which is an original, but all of which constitute one and the same instrument. The date of this Agreement (“Effective Date”) will be the date when the last one of the parties to the Agreement has signed this offer.

25. **FIRPTA:** Seller shall provide at closing a FIRPTA Non-Foreign Transferor Certificate in accordance with Section 1445 of the Internal Revenue Code.

26. **INSPECTIONS AND INDEMNIFICATION:** Seller shall cooperate with Buyer and permit and provide Buyer and Buyer’s representatives with access to the Property for examining, testing, inspecting and investigating same at all reasonable times through the Closing. Buyer shall repair any damage caused to the Property by its tests or inspections, reasonable wear and tear excepted. Buyer shall pay the costs of all tests and inspections conducted pursuant to this contract. Any notices given pursuant to this paragraph shall be deemed received by Seller if delivered to the addresses set forth in this contract, or, if sent by certified mail, three (3) business days after the notice is deposited in the United States Mail. Buyer shall be liable for and immediately pay and/or satisfy any claims or liens arising out of Buyer’s inspection of the property and/or Buyer’s assignee.

Buyer agrees to indemnify, hold harmless and defend Seller against all actions, liabilities and liens arising out of the acts of Buyer, its employees and its agent and assigns during the term of this Agreement. Buyer agrees to return the Property to its existing condition at the termination of this Agreement should the transaction fail to close between both parties. Buyer further agrees to immediately discharge any and all liens recorded against the Property arising from claims against the Buyer made by the consultants and if assigned, the consultants of assignee. The provisions of this paragraph shall survive the assignment and termination and/or cancellation of this Agreement.

27. **FURTHER UNDERSTANDING:** The parties agree that each shall cooperate with the other in good faith and shall correct any mathematical errors, execute such further documents and perform such further acts as may be reasonably necessary or appropriate to carry out the purpose and intent of this Contract.

28. **NOTICES:** Whenever either party desires to give notice unto the other, it must be given in written notice, sent by certified United States mail, with return receipt requested, addressed to the party for whom it is intended, at the place last specified as the place for giving of notice in compliance with the provisions of this paragraph. The party(ies) may change the addresses at which notice is to be given by notice given as provided in this Article. Notices shall be deemed given when received by the addressee.

AS TO TOWN:

Tom Willi, Town Administrator
6591 SW 45th Street
Davie, Florida 33314



WITH A COPY TO:

Monroe D. Kiar, Esquire
Town Attorney
6191 SW 45th Street, Suite 6151A
Davie, Florida 33314

AS TO SELLER:

SOUTHERN HOMES OF DAVIE III, LLC
12900 SW 128th Street, #100
Miami, Florida 33186

WITH A COPY TO:

C. William Laystrom, Jr., Esquire
Attorney for Seller
1177 SE Third Street
Fort Lauderdale, Florida 33316

Dennis Mele, Esquire
Post Office Box 1900
Fort Lauderdale, Florida 33302-1900

29. SELLER warrants and represents there is a legal access to EXHIBIT "A".

30. The Addendum to Contract on Exhibit "B" is attached hereto and incorporated within this Contract and is a part hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 29th day of October, 2003.

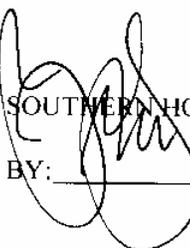
Signed, sealed and delivered in the
presence of:

TOWN OF DAVIE, a municipal corporation of
the
State of Florida

Witness

BY: _____

Witness


SOUTHERN HOMES OF DAVIE III, LLC
BY: President
SOUTHERN HOMES OF BROWARD INC. ITS MANAGER

Witness

Witness

STATE OF FLORIDA

COUNTY OF BROWARD

I HEREBY CERTIFY that on this _____ day of _____, 2003, before me personally appeared _____ of the TOWN OF DAVIE, a municipal corporation organized and existing under the laws of the State of Florida, to me well known and known to me to be the person who acknowledged the execution thereof to be his free act and deed as such officer for the use and purpose therein mentioned.

WITNESS my hand and official seal this _____ day of _____, 2003.

Notary Public

Type, Stamp, Print Name

My Commission Expires:

STATE OF FLORIDA

COUNTY OF BROWARD

I HEREBY CERTIFY that on this 29th day of October, 2003, before me an officer to take acknowledgments, personally appeared Hector Garcia, as President Of SOUTHERN HOMES AT DAVIE III, LLC, to me known to be the person described in and who executed the same.

WITNESS my hand and official seal this 29th day of October, 2003.

Sheila Preston

Notary Public

Sheila Preston

Type, Stamp, Print Name

My Commission Expires:

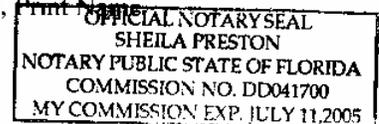


EXHIBIT "A"

LEGAL DESCRIPTION

BLOCK 1 OF "VAN KIRK GROVE" ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 15, AT PAGE 45 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA, LESS THEREFROM THE NORTH 1,196.00 FEET THEREOF.

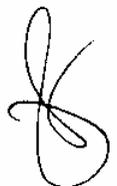
SAID LAND SITUATE, LYING AND BEING IN THE TOWN OF DAVIE, BROWARD COUNTY, FLORIDA AND CONTAINS 5,011,597 SQUARE FEET (115.05 ACRES)

CAF#369
01/01/02



EXHIBIT "B"
ADDENDUM TO CONTRACT

1. In the event the TOWN chooses to sell or otherwise transfer the property to an entity other than the TOWN, Broward County, the State of Florida, or some other entity whose primary purpose is to preserve the property, then SELLER shall have the option to repurchase at the TOWN's original purchase price.

A handwritten signature in black ink, consisting of a stylized, cursive letter 'B' with a loop at the bottom.

OWNER'S TITLE INSURANCE POLICY

Attorneys' Title Insurance Fund, Inc.

ORLANDO, FLORIDA

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS AND STIPULATIONS, ATTORNEYS' TITLE INSURANCE FUND, INC., a Florida corporation, herein called The Fund, insures, as of Date of Policy shown in Schedule A, against loss or damage, not exceeding the Amount of Insurance stated in Schedule A, sustained or incurred by the insured by reason of:

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;
2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Fund will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

In Witness Whereof, ATTORNEYS' TITLE INSURANCE FUND, INC. has caused this policy to be signed and sealed as of Date of Policy shown in Schedule A, the policy to become valid when countersigned by an authorized signatory.



Attorneys' Title Insurance Fund, Inc.

By

Charles J. Kovaleski
President

SERIAL
OPM-7001411

Attorneys' Title Insurance Fund, Inc.
OWNER'S POLICY
Schedule A

Policy No.:
OPM-7001411

Effective Date:
October 29, 2002 @ 11:00 PM

Agent's File Reference:
01-293

Amount of Insurance: \$6,100,000.00

1. Name of Insured: Southern Homes of Davie III, LLC, a Florida limited liability company

2. The estate or interest in the land described herein and which is covered by this policy is a fee simple (if other, specify same) and is at the effective date hereof vested in the named insured as shown by instrument recorded in Official Records Book 34020, Page 846, of the Public Records of Broward County, Florida.

3. The land referred to in this policy is described as follows:

All of Block 1, less the North 1,196 feet thereof, of VAN KIRK GROVE, according to the Plat thereof, as recorded in Plat Book 15, at Page 45, of the Public Records of Broward County, Florida.

Issuing Agent:

Karl J. Schumer, P. A.
19495 Biscayne Boulevard
Suite 409
Aventura, FL 33180

Agent No.: 25656



Agent's Signature
Karl J. Schumer
Attorney at Law

Attorneys' Title Insurance Fund, Inc.
OWNER'S POLICY
Schedule B

Policy No.:
OPM-7001411

Agent's File Reference:
01-293

This policy does not insure against loss or damage by reason of the following exceptions:

1. Taxes for the year of the effective date of this policy and taxes or special assessments which are not shown as existing liens by the public records.
2. Rights or claims of parties in possession not shown by the public records.
3. Encroachments, overlaps, boundary line disputes, and any other matters which would be disclosed by an accurate survey and inspection of the premises.
4. Easements or claims of easements not shown by the public records.
5. Any lien, or right to a lien, for services, labor, or material heretofore or hereafter furnished, imposed by law and not shown by the public records.
6. Any adverse ownership claim by the State of Florida by right of sovereignty to any portion of the lands insured hereunder, including submerged, filled and artificially exposed lands, and lands accreted to such lands.
7. The lien of all taxes for the year 2003 and thereafter, which are not yet due and payable.
8. Any adverse ownership claim by the State of Florida by right of sovereignty to any portion of the lands insured hereunder, including submerged, filled, and artificially exposed lands and lands accreted to such lands.
9. Easements or claims of easements now shown by the public records.
10. Restrictions, conditions, reservations, easements and other matters contained on the Plat of VAN KIRK GROVE, as recorded in Plat Book 15, at Page 45, Public Records of Broward County, Florida.
11. Reservations in favor of the State of Florida, as set forth in the deed from the Trustees of the Internal Improvement Fund of the State of Florida, recorded in Deed Book 7, Page 576, as affected by the Quit Claim Deed recorded in Deed Book 190, at Page 39, and as conveyed by the instruments recorded in O.R. Book 14557, Page 503 and O.R. Book 14557, Page 510, all of the Public Records of Broward County, Florida.
12. Agreement recorded in O.R. Book 234, Page 443, as affected by the instrument recorded in O.R. Book 7257, Page 749, Public Records of Broward County, Florida.
13. Resolution of the Central Broward Drainage District recorded in O.R. Book 3438, Page 60, Public Records of Broward County, Florida.
14. Water Agreement recorded in O.R. Book 5832, Page 198, as re-recorded in O.R. Book 5887, Page 340, and assigned by O.R. Book 5948, Page 772, Public Records of Broward County, Florida.
15. Sewerage Agreement recorded in O.R. Book 5832, Page 228, as re-recorded in O.R. Book 5887, Page 370, as assigned by O.R. Book 5948, Page 772, Public Records of Broward County, Florida.
16. Easement given to Florida Power & Light Company recorded in O.R. Book 14136, Page 583, Public Records of Broward County, Florida.
17. Assignment of Leases and Rents recorded 10/29/2002, in O.R. Book 34020, Page 875, Public Records of Broward County, Florida.
18. UCC-1 Financing Statement recorded 10/29/2002, in O.R. Book 34020, Page 887, Public Records of Broward County, Florida.
19. Mortgage in the sum of \$4,527,900.00 from Southern Homes of Davie III, LLC, a Florida limited liability company to CommerceBank, N.A. dated 10/15/2002 and recorded 10/29/2002 in Official Records Book 34020, Page 848, of the Public Records of Broward County, Florida.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and The Fund will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
(b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to The Fund, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to The Fund by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (a) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (b) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (i) to timely record the instrument of transfer; or
 - (ii) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

CONDITIONS AND STIPULATIONS

1. Definition of Terms

The following terms when used in this policy mean:

- (a) "insured": the insured named in Schedule A, and, subject to any rights or defenses The Fund would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors
- (b) "insured claimant": an insured claiming loss or damage.
- (c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.
- (d) "land": the land described or referred to in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule A, or any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.
- (e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument
- (f) "public records": records established under state statutes at date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions from Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States district court for the district in which the land is located.
- (g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. Continuation of Insurance After Conveyance of Title

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants of warranty made by the insured in any transfer or conveyance of the estate or interest.

This policy shall not continue in force in favor of any purchaser from the insured of either (i) all estate or interest in the land, or (ii) all indebtedness secured by a purchase money mortgage given to the insured.

3. Notice of Claim To Be Given by Insured Claimant

The insured shall notify The Fund promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which The Fund may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to The Fund, then as to the insured all liability of The Fund shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify The Fund shall in no case prejudice the rights of any insured under this policy unless The Fund shall be prejudiced by the failure and then only to the extent of the prejudice.

4. Defense and Prosecution of Actions; Duty of Insured Claimant To Cooperate

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, The Fund, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Fund shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Fund will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Fund shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Fund may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If The Fund shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever The Fund shall have brought an action or interposed a defense as required or permitted by the provisions of this policy. The Fund may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires The Fund to prosecute or provide for the defense of any action or proceeding, the insured shall secure to The Fund the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit The Fund to use, at its option, the name of the insured for this purpose. Whenever requested by The Fund, the insured, at The Fund's expense, shall give The Fund all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of The Fund may be necessary or desirable to establish the title to the estate or interest as insured. If The Fund is prejudiced by the failure of the insured to furnish the required cooperation, The Fund's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. Proof of Loss or Damage

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided The Fund, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to The Fund within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If The Fund is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, The Fund's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of The Fund and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of The Fund, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of The Fund, the insured claimant shall grant its permission, in writing, for any authorized representative of The Fund to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to The Fund pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of The Fund, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of The Fund under this policy as to that claim.

6. Options To Pay or Otherwise Settle Claims; Termination of Liability

In case of a claim under this policy, The Fund shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by The Fund, up to the time of payment or tender of payment and which The Fund is obligated to pay.

Upon the exercise by The Fund of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to The Fund for cancellation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by The Fund up to the time of payment and which The Fund is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by The Fund up to the time of payment and which The Fund is obligated to pay.

Upon the exercise by The Fund of either of the options provided for in paragraphs (b)(i) or (ii), The Fund's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. Determination, Extent of Liability and Coinsurance

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of The Fund under this policy shall not exceed the least of:

(i) the Amount of Insurance stated in Schedule A; or,

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) (This paragraph dealing with Coinsurance was removed from Florida policies.)

(c) The Fund will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations

8. Apportionment

If the land described in Schedule A consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by The Fund and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. Limitation of Liability

(a) If The Fund establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by The Fund or with The Fund's consent, The Fund shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Fund shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of The Fund.

10. Reduction of Insurance; Reduction or Termination of Liability

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. Liability Noncumulative

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount The Fund may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. Payment of Loss

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of The Fund.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. Subrogation Upon Payment or Settlement

(a) The Fund's Right of Subrogation.

Whenever The Fund shall have settled and paid a claim under this policy, all right of subrogation shall vest in The Fund unaffected by any act of the insured claimant.

The Fund shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by The Fund, the insured claimant shall transfer to The Fund all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit The Fund to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant. The Fund shall be subrogated to these rights and remedies in the proportion which The Fund's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but The Fund, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to The Fund by reason of the impairment by the insured claimant of The Fund's right of subrogation.

(b) The Fund's Rights Against Non-insured Obligors.

The Fund's right of subrogation against non-insured obligors shall exist and shall include, without limitation, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. Arbitration

Unless prohibited by applicable law, arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association may be demanded if agreed to by both The Fund and the insured. Arbitrable matters may include, but are not limited to, any controversy or claim between The Fund and the insured arising out of or relating to this policy, and service of The Fund in connection with its issuance or the breach of a policy provision or other obligation. Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof. The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from The Fund upon request.

15. Liability Limited to this Policy; Policy Entire Contract

(a) This policy together with all endorsements, if any, attached hereto by The Fund is the entire policy and contract between the insured and The Fund. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, or Agent of The Fund.

16. Severability

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision and all other provisions shall remain in full force and effect.

17. Notices, Where Sent

All notices required to be given The Fund and any statement in writing required to be furnished The Fund shall include the number of this policy and shall be addressed to The Fund at its principal office at Post Office Box 628600, Orlando, Florida 32862-8600.

OWNER'S
TITLE INSURANCE
POLICY

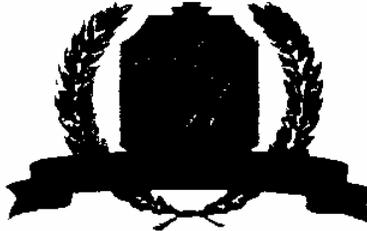
Attorneys'
Title Insurance Fund,
Inc.

ORLANDO, FLORIDA



For information about coverage or
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call 407-240-3863

Offices at
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Orlando, FL 32822
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WE'RE BUILDING SOMETHING SPECIAL.

THIS LEASE, made and entered into this 1st day of January, 2003, by and between SOUTHERN HOMES OF DAVIE III, L.L.C., ("LESSOR"), and G.W. CATTLE CORP, ("LESSEE").

WITNESSETH:

For and in consideration of the sum of ONE (\$1.00) DOLLAR, in hand paid by the LESSEE to the LESSOR, the receipt of which is hereby acknowledged, and further in consideration of the covenants herein contained on the part of the parties to be kept and performed, LESSOR does hereby lease to the LESSEE the following described property ("Property"), situated in BROWARD County, Florida, to-wit:

Block 1 of "Van Kirk Grove" PB15 Page 45 PR Broward County, Florida-
Southern Homes of Davie III, LLC

1. Lessees covenants and agrees with LESSOR that LESSEE will:
 - a. Clear the property for various agricultural activities, including, but not limited to grazing cattle.
 - b. Maintain the Property. All of which shall be in place prior to December 31, 2002, in order for LESSOR to obtain the Agricultural Exemption, in accordance with state, county and local codes and permits, provided by lessees.
2. LESSOR and / or his designees shall have the right to enter upon the property at anytime.
3. LESSEE shall maintain insurance coverage for workers compensation, public Liability, and other hazard insurance, all of which shall be carried in such manner as is acceptable to LESSOR and shall be in the amount of not less than \$500,000.00. Said policy(s) of insurance shall name LESSOR as Additional Insured and Loss Payee, so as to save LESSOR harmless from any and all claims, demands, actions, and causes of action which may arise as a result of the use of the above described property by the LESSEE. LESSEE agrees to furnish LESSOR with a copy of the insurance policies together with a paid receipt therefore during the term of this lease.

4. LESSEE agrees to maintain an agricultural operation, including but not limited to a cattle grazing, maintenance of the fence, and all other items related to any agricultural operation which will allow agricultural exemption for the property. It is understood and agreed, however, that LESSOR will file the agricultural exemption request on an annual basis with the Broward County tax appraiser office.
5. The term of this lease shall be five (5) years, commencing on the 1st day of January, 2003, and ending on the 31st day of December 2007; provided, however, that in the event the LESSEE is in good standing under all the terms and conditions herein contained, the term shall be automatically extended annually until such time as either party shall elect to cancel by giving notice to the other party at least thirty (30) days prior to the end of the lease year.
6. Rent shall be paid as follows:
One Thousand Dollars (\$1000.00) a year, payable annually in advance plus real estate taxes of each year.
7. Upon compliance with terms, conditions and covenants herein to be kept and Performed by LESSEE, the LESSEE shall have peaceful possession of the above-described property during the term of this lease.
8. This lease and all rights of LESSEE hereunder are subject and subordinate to All mortgages now or hereafter placed upon the above-described property by LESSOR or his successors or assigns.
9. The covenants and conditions herein contained shall be binding upon and benefits the parties hereto, their heirs, personal representatives, successors and assigns.
10. That during the term of the lease, LESSEE will occupy and use said premises only for the use set forth above. LESSEE will not use said premises for any other use, except agricultural. LESSEE will not use the premises for any hunting, recreational or any other purposes.
11. That LESSEE will not knowingly allow or permit the premises herein leased, Or any part thereof, to be used for any illegal, improper or immoral purposes and that they will at their own expense, promptly and full observe and comply with all requirements, rules, laws, and ordinances of all lawfully constituted governmental authorities in any manner affecting the premises herein and hereby leased, or in the use, occupancy maintenance of the same during the term of this lease.
12. The parties understand and agree that this document will not be recorded in the Public Records.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

Witnesses:

Suzanne Smedley

Gloria M. Hernandez

[Signature]
SOUTHERN HOMES OF DAVIE III LLC

Hector Garcia, President
Southern Homes of Broward, Inc.,
Manager

G.W. CATTLE CORP.

George Williams
George Williams, President
LESSEE