

Memorandum



Date: July 11, 2007

B & F

Agenda Item No. 3 (F)

To: Honorable Chairman Bruno A. Barreiro
And Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Authorization to purchase the MLK Building at 2525 NW 62 Street, Miami, FL from BAC Funding Corporation at for a total amount of \$27,323,595.39 and to lease approximately 3,000 square feet of retail space on the ground floor of the MLK Building to BAC Funding Corporation for 30 years.

Recommendation

It is recommended that the Board approve the attached Contract for Sale and Purchase in Lieu of Condemnation (Attachment "A") in the amount of \$27,323,595.39 and the attached Lease Agreement (Attachment "B") between Miami-Dade County, a political subdivision of the State of Florida, and the BAC Funding Corporation (BAC), formerly known as the Business Assistance Center, a Florida not-for-profit corporation, for the Dr. Martin Luther King, Jr. (MLK) Office Building located at 2525 N.W. 62 Street, Miami, Florida.

BAC Funding Corporation

The BAC Funding Corporation was originally established in 1982 as a 501(c)(3) Florida Nonprofit community development corporation to help stimulate the economic growth of Miami-Dade County's Liberty City area. Since 1982 BAC Funding Corporation and its affiliates have extended commercial credit to African-American owned businesses primarily in the form of asset-based revolving credit lines and joint venture agreements. The Board of Directors is chaired by Ron Frazier, who is also the President and Chief Executive Officer of Ronald E. Frazier and Associates, Architects. A complete list of all Board members is attached as Exhibit "D"

Scope:

The MLK Office Building, located in Commission District 2, has an impact on both the district and the County as a whole.

Fiscal Impact/Funding Source:

Permanent financing for this item (\$27 million) is programmed within the proposed Series 2007 Capital Asset Acquisition Bond authorized by the Board on March 20, 2007 (Ordinance 07-51, R-342-07) with the balance (\$323,595.39) to be funded through any available bond proceed interest earnings and the Capital Outlay Reserve. Debt service payments for that financing as well as the annual operating expenses of the facility is being annually budgeted, appropriated and paid through the departmental rent budgets of the building tenants.

Track Record/Monitor:

BAC Funding Corporation has no history of non-compliance with the County.

The Monitor for this project is Leland Salomon, Chief, GSA Real Estate Development.

Background

On July 13, 1999, the Board approved Resolution Numbers R-828-99, R-829-99 and R-830-99, which authorized the County to enter into a Ground Lease, a Development Agreement (Contract) and a Lease Purchase Agreement for a proposed office building to be used by the County at the Dr. Martin Luther King, Jr. Metrorail Station.

Subsequently, on September 19, 2000, the Board adopted Ordinance Number 00-116, approving the form of a County guarantee securing certain debt obligations pertaining to the MLK Development and the use of an Installment Sales Agreement in place of the previously approved Lease Purchase Agreement.

The County is currently committed under this long term Installment Sales Agreement with the BAC to purchase the MLK Office Building located at 2525 N.W. 62 Street. The item before the Board replaces the existing Installment Sales Agreement with the attached Contract for Sale and Purchase in Lieu of Condemnation, which includes the same sale terms previously approved by the Board except that the purchase is advanced to the current fiscal year and is in lieu of condemnation. The approval of this item will, at the time of closing, void both the existing Installment Sales Agreement and the existing Ground Lease upon which the improvement is located.

The Dr. Martin Luther King, Jr. Office Building was completed in FY 2003-04, and houses the administrative offices of the Department of Solid Waste Management, the Department of Human Services and the Corrections and Rehabilitation Department. Team Metro occupies an outreach office on the ground floor serving residents in that portion of Unincorporated Miami-Dade County. As a result of this development, the MLK Metrorail Station is experiencing a 27.3 percent increase in daily boardings over FY 2000-01 and the previously dilapidated, vacant parking garage is now over two-thirds occupied.

The existing Installment Sales Agreement provides for the purchase of the MLK Office Building for \$1.00 plus usual and customary closing expenses at the end of the current financing term which expires September 30, 2030. The County, through its annually budgeted and appropriated rent payment for each department in the facility, pays for the current debt service, operating expenses and a differential payment (the differential payment is the difference resulting from the subtraction of the County paid debt service and operating expenses from the stipulated rent). This differential payment, approved under the original Installment Sales Agreement, is currently \$2.07 per square foot per year and is required to be used by the BAC to further its not-for-profit purposes as defined under its articles of incorporation. The March 2007 monthly installment payment (the monthly total of the County's debt service payment operating expenses and differential payment) for the facility was \$371,927 or on an annualized basis, \$4.463 million, which equates to \$24.34 per square foot.

Purchase Advance

The County currently has the option to purchase the MLK Office Building any time after the end of its 10th year of occupancy (March 31, 2014) by either assuming or refinancing the existing debt and paying the BAC 100 percent of the discounted net present value of the annual differential payment it would have received to the end of the financing term, inflated at three percent per remaining financing term year from the closing date of the early purchase.

Because staff has determined that it will be less expensive to operate under County ownership/management, we have negotiated an early purchase. BAC's costs are higher due to three-fold increases in the cost of obtaining the County-required insurance, and higher expenses for some service contracts that are normally performed with in-house personnel. This building will be added as an additional site for an existing GSA managed building group, allowing management to be done with the least resources. Salaries are approximately \$90,000 less than those projected by the BAC and there are substantial savings in eliminating the existing management fees. The BAC has budgeted an operating cost of \$14.42 per square foot for calendar year 2007. The General Services Administration has estimated \$11.49 per square foot for the same level of service through September 2008. When comparing operating cost payments to the existing budget from August 1, 2007 to the end of the 10th occupancy year, the savings estimated to accrue to the County is \$5.7 million.

In addition, staff has been able to negotiate the resolution of one outstanding change order from the construction phase of this project in the amount of \$526,516.30, consisting of two parts: \$441,467.32 for the change order and \$85,048.98 for interest accrued thereon calculated from December 1, 2004 to August 1, 2007. The Development Agreement approved by the Board provided a mechanism for the initiation and settlement of change requests by either the BAC or the County as construction of the building proceeded. This change request was originally submitted to the County for \$878,132.18 for required life safety modifications resulting from the County's build-out specification and furnishings plan. It included design, construction costs, construction management, insurance, contractor and developer overhead and profit as allowed under the Contract, time delay and building operating expenses incurred during the delay period. This amount was subsequently negotiated to \$441,467.32; however, because of the protracted negotiation period on the amount, the BAC has requested, and County staff recommends, that it be reimbursed interest expense since the BAC had to borrow to fund the changes and carry a loan balance until this point in time.

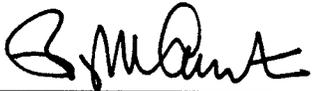
This item is a purchase in lieu of condemnation. The County would not be able to purchase the building for ten years under the existing Installment Sale Agreement. However, the Installment Sale Agreement provides that condemnation or a deed in lieu of condemnation could be exercised by the County at any time. Condemnation would be necessary to achieve the desired result now of the County owning the building and other improvements to the land so that immediate and long term significant savings, including on rent, operating, maintenance and security costs, can be realized now. BAC will provide the County with a Warranty Deed in lieu of filing a condemnation action. Finally, and in accordance with the existing Installment Sales Agreement, the County has agreed to lease to the BAC (Attachment "B") the approximately 3,903 square foot space occupied by the current food court to the BAC for \$1.00 per year, including utilities and common area expenses for 30 years from the closing date of this transaction. The intent of this subsidy is to provide an ongoing resource for either BAC administrative offices or to house developing minority businesses in furtherance of the BAC's articles of incorporation.

Honorable Chairman Bruno A. Barreiro,
and Members Board of County Commissioners
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Should the space be used for any other purpose or should the BAC cease to exist for purposes defined under its current articles of not-for-profit incorporation, the subsidy lease shall be immediately voided.

The following summarizes the purchase detail of the item before the Board assuming a closing date of August 1, 2007.

Estimated Refinance of Existing Debt	\$19,520,000.00
Payment of Differential Per Current Agreement Terms	6,977,079.09
Estimated Usual and Customary Closing Costs	300,000.00
Life Safety Change Item including Accrued Interest Thereon	526,516.30
Total	<u>\$27,323,595.39</u>



Roger M. Carlton
Assistant County Manager



MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: July 10, 2007

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- _____ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- _____ 6 weeks required between first reading and public hearing
- _____ 4 weeks notification to municipal officials required prior to public hearing
- _____ Decreases revenues or increases expenditures without balancing budget
- _____ Budget required
- _____ Statement of fiscal impact required
- _____ Bid waiver requiring County Manager's written recommendation
- _____ Ordinance creating a new board requires detailed County Manager's report for public hearing
- _____ Housekeeping item (no policy decision required)
- _____ No committee review

Approved

Mayor

Agenda Item No.

Veto _____

Override _____

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF THE CONTRACT FOR SALE AND PURCHASE IN LIEU OF CONDEMNATION FOR ACQUISITION OF THE MARTIN LUTHER KING BUILDING AT 2525 NW 62 STREET, MIAMI, FLORIDA LOCATED ON COUNTY OWNED PROPERTY FOR AN AMOUNT NOT TO EXCEED \$27,323,595.39; AND THE EXECUTION OF THE LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND BAC FUNDING CORPORATION FOR APPROXIMATELY 3,903 SQUARE FEET OF GROUND FLOOR AREA LOCATED IN THE MARTIN LUTHER KING BUILDING; AUTHORIZING THE COUNTY MAYOR OR HIS DESIGNEE TO TAKE ALL ACTIONS NECESSARY TO EFFECTUATE THE ACQUISITION AND LEASE AUTHORIZED BY THE BOARD; AND AUTHORIZING THE COUNTY MAYOR OR HIS DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby authorizes the execution of the Contract for Sale and Purchase in Lieu of Condemnation for acquisition of the Martin Luther King Building at 2525 NW 62 street, Miami, Florida located on county owned property for an amount not to exceed \$27,323,595.39; and the execution of the Lease Agreement between Miami-Dade County and BAC Funding Corporation for approximately 3,903 square feet of ground floor area located in the Martin Luther King Building; authorizes the County Mayor or his designee to take all actions necessary to effectuate the acquisition and lease authorized by the Board; and authorizes the County Mayor or his designee to exercise any and all other rights conferred therein.

The foregoing resolution was offered by Commissioner who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

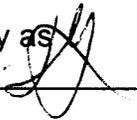
The Chairperson thereupon declared the resolution duly passed and adopted this 10th day of July, 2007. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.



ATTACHMENT "A"

CONTRACT FOR SALE AND PURCHASE IN LIEU OF CONDEMNATION

This Contract for Sale and Purchase is entered into as of the _____ day of _____, 2007 by and between MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter referred to as "Buyer" and BAC FUNDING CORPORATION, a Florida not-for-profit corporation, hereinafter referred to as "Seller."

WITNESSETH, that for and in consideration of the mutual covenants contained herein, the Buyer and Seller agree as follows:

1. REALTY. Seller agrees to sell to Buyer and Buyer agrees to purchase from Seller that certain building improvement upon the real property, located in Miami-Dade County, Florida, which real property is legally and more specifically described in Exhibit "A", together with all tenements, hereditaments, privileges, servitudes, and other rights appurtenant to the building, if any (collectively, the "Building"), and any other fixtures, and other improvements thereon, if any, all fill and top soil thereon, if any, all oil, gas and mineral rights possessed by Seller, if any, and all right, title and interest of Seller in and to any and all streets, roads, highways, easements, drainage rights, or rights-of-way, appurtenant to the Building, if any, and all right, title and interest of Seller in and to any and all covenants, restrictions, agreements and riparian rights as same may apply to and benefit the Building, if any. Notwithstanding the foregoing, the restaurant equipment and tenant improvements itemized in Exhibit "B" shall be excluded from the sale and remain the property of the Seller for the Term of the Lease (ATTACHMENT "B").

2. PURCHASE PRICE. Buyer agrees to pay a purchase price for the Building of \$27,323,595.39, by County check or wire transfer of U.S. funds. The purchase price, which shall be paid at closing and is subject to other adjustments and prorations provided for herein. The purchase price includes the value of the Building, along with any other right, title and/or interest in any rights or matters related to the Building including the following items:

A. Differential Amount: Included in the purchase price as described above, the sum of Six Million Nine Hundred and Seventy Seven Thousand and Seventy-Nine Dollars and Nine Cents (\$6,977,079.09)* shall be paid to Seller at time of closing as the differential amount or payment due under the terms of this Contract for Sale and Purchase agreement.

B. Final Change Order: Included in the purchase price as described above, the sum of Four Hundred Forty-one Thousand Four Hundred Sixty-Seven Dollars and Thirty-Two Cents (\$441,467.32) shall be paid to the Seller at time of closing as the final change order amount or payment due under the terms of this Contract for Sale and Purchase agreement.

C. Accrued Interest: Included in the purchase price as described above, the sum of Eighty Five Thousand Forty Eight Dollars and Ninety-Eight Cents (\$85,048.98) shall be paid to the Seller at time of closing as the total amount of accrued interest due under the terms of this Contract for Sale and Purchase agreement. Should the closing not take

place as anticipated on August 1, 2007 due to the fault of the County, the interest shall be recalculated to adjust for any lesser or greater number of days until the closing.

D. Refinance of Existing Debt: Included in the purchase price as described above, the sum of Nineteen Million, Five Hundred and Twenty Thousand Dollars and no/100 (\$19,520,000.00) representing the total amount required to refinance the existing debt under the terms of this Contract of Sale and Purchase agreement.

E. Miscellaneous Closing Costs: Included in the purchase price as described above, the sum of Three Hundred Thousand Dollars and no/100 (\$300,000) of which One Thousand Five Hundred Dollars (\$1,500.00) shall be paid to the Seller at the time of closing to be applied towards its legal expenses, and Three Thousand Two Hundred Dollars and no/100 (\$3,200.00) shall be paid to the Seller to be applied towards its cost of appraising the property. The Balance shall be used by the Buyer towards its closing costs under the terms of this Contract of Sale and Purchase agreement.

*It is hereby agreed by BAC Funding Corporation that the proceeds paid to Seller as the Differential Amount under article 2A above will be invested in programs supported by BAC Funding Corporation as required by its Articles of Incorporation. In addition, BAC Funding Corporation agrees to provide the County with a semi-annual report as to the disposition of all the funds.

3. INTEREST CONVEYED. Seller is the record owner of the Building and agrees to convey good, marketable and insurable title by Warranty Deed.

4. AD VALOREM TAXES. Buyer hereby covenants that it is a political subdivision of the State of Florida and is exempt from payment of ad valorem taxes. Seller covenants that it was granted a six (6) year grace period and waiver for the payment of ad valorem taxes for this Building and thus is not responsible for ad valorem taxes as they relate to the transfer of title for the Building. However, if it is found that ad valorem taxes are due by Seller it shall be Seller's responsibility to comply with Section 196.295, Florida Statutes by placing the appropriate amount of pro rata taxes to the day of closing, if any are due, and any delinquent taxes, if any are due, in escrow with the Miami-Dade County Tax Collector.

5. TITLE INSURANCE. Buyer may, within fifteen (15) business days of the effective date of this Contract, obtain a marketable title insurance commitment and furnish a copy to the Seller. Said commitment shall show a good, marketable and insurable title to the Building, if applicable, in the Seller's name. Buyer shall have ten (10) business days from receipt of title commitment to inspect said title documents and report defects, if any, in writing to the Seller. Buyer may at Buyer's expense obtain an owner's marketable title insurance policy (ALTA Form "B") from a title insurance company licensed by the State of Florida ("Title Company") in the amount of the purchase price. In addition, the policy shall insure title to the Building, if applicable, for the period between closing and recording of the Bill of Sale. If the title commitment shows title to the Building to be unmarketable and uninsurable, then this Contract shall be rendered null and void and both Buyer and Seller shall be released of all obligations hereunder, except that Buyer may waive any defects and proceed with closing at Buyer's

option.

6. **INSPECTIONS/HAZARDOUS MATERIALS.** Buyer acknowledges the receipt and acceptance of the Report of Preliminary (Phase I) Environmental Site Assessment prepared by EBS Engineering, Inc., 6216 NW 170 Terrace, Miami Florida, 33015 dated August 4, 1999 and agrees to purchase the Building "As Is" with regard to Hazardous Materials. The term "Hazardous Materials" shall mean any hazardous or toxic substance, material or waste, it shall also include solid waste or debris of any kind.

7. **SURVEY.** Seller, at Buyer's sole cost and expense and not less than 30 days prior to closing, deliver to Buyer, a current, certified boundary survey of the Property prepared by a professional land surveyor licensed by the State of Florida. The survey shall be certified to the Buyer, the Title Company and the Seller. The date of certification shall be within sixty (60) days before the Closing date, unless this sixty (60) day time period is waived by Buyer and by the Title Company for purposes of deleting the standard exceptions for survey matters and easements or claims of easements not shown by the public records from the owners' title policy. The survey shall contain a certification of the number of square feet and calculated acreage contained in the Real Property, less any dedicated right of way thereon. If the survey shows any encroachment on the Real Property or that any improvements on the Real Property encroach on the land of others, the same shall be regarded as a title defect. The legal description in the survey shall be subject to Seller's and Buyer's approval.

8. **RIGHT TO ENTER BUILDING.** Seller agrees that Buyer and its agents shall, upon reasonable notice, have the right to enter the Building for all lawful and agreed upon purposes in connection with this transaction provided the Buyer shall indemnify and hold Seller harmless for damage or injury caused by Buyer and its agents subject to all limitations of Section 768.28, Florida Statutes. Buyer shall have the right to inspect all parts of the Building's interior and exterior. Buyer shall not in the course of such entry make any invasive tests, alterations or improvements to the Building, except with the express written consent of Seller. Buyer hereby agrees to indemnify, protect and hold harmless Seller from and against any and all claims, demands, losses, costs, damages to the balance of the parent tract. If Closing does not occur, Buyer shall repair and restore the Property to the condition existing prior to any test or construction on the site.

9. **BUILDING DEFICIENCIES OR INCOMPLETE CONSTRUCTION ITEMS.** Buyer and Seller agree that there are no apparent defects in the Building. Notwithstanding the foregoing, Seller warrants and guarantees to repair any further latent defect(s) which are discovered by Buyer within one year after the closing of this sale.

10. **TENANCIES/EXISTING AGREEMENTS.** The parties agree to the following upon a successful closing: (i) the Lease Agreement and the Sub-Leases for the food court attached as Exhibit "C" shall become effective upon its execution by the parties ("Subsequent Lease"); (ii) the Development Contract for Renovation of Existing Parking Garage and Construction of Office Building Agreement dated July 13, 1999 and the Installment Sale Agreement and the Ground Lease, both between the parties and

dated as of October 1, 2000, shall terminate; (iii) the \$21,570,000 Miami-Dade County Industrial Development Authority Industrial Development Revenue Bonds (BAC Funding Corporation Project), Series 2000A ("Bonds") shall be will be redeemed in full and as a result, the Loan Agreement dated as of October 1, 2000 between the Seller and the Miami-Dade County Industrial Development Authority ("Authority") shall terminate and the related Promissory Note from the Seller to the Authority shall be cancelled and the Taxable Bonds have been redeemed; (iv) the Guaranty dated as of October 1, 2000 from the County to First Union National Bank, trustee for the Bonds, shall terminate; and (v) a satisfaction of the Leasehold Mortgage and Security Agreement delivered with respect to the Bonds shall be recorded.

The parties agree that the Seller has no other interest in the Property or the Building other than the Subsequent Lease and Leasehold Improvements as defined in the Lease and with the legal defeasance of the Bonds, has no other obligations with respect to the Bonds.

11. PRORATIONS: The parties hereby agree that typical pro-rations (such as, but not limited to, solid waste service, utility service, water and sewer costs, electricity) normally considered being part of closing costs and expenses shall not be prorated and such costs and expenses shall be borne solely by the Buyer.

12. LIENS. All liens of record, including certified municipal and county liens, as well as special assessments, if any, shall be paid in full at or before closing by the Seller. If a pending lien has been filed against the subject Property which has not been certified as of the date of closing, and the work and improvements for which the lien was filed have been completed prior to the closing, despite the fact that the pending lien has not been certified, such lien shall be paid by the Seller.

13. CLOSING. The closing of this transaction shall be completed within thirty (30) days of the Effective Date of this contract unless otherwise extended, as mutually agreed upon by both Buyer and Seller or as otherwise provided herein. The precise date, time, and place of closing shall be set by Buyer and Seller. The parties hereby agree that each party shall be responsible for their respective costs associated with transfer and/or conveyance of the Building, unless otherwise agreed to herein. In addition, Buyer agrees that it shall pay, at closing the cost of an appraisal on the Building, along with the cost associated with the Seller retaining an attorney to review contracts relating to the conveyance of the Building to Buyer, up to and including the amount of One Thousand Five Hundred Dollars and no/100 (\$1,500.00) and Three Thousand Two Hundred dollars and no/100 (\$3,200.00) shall be paid to the Seller to be applied towards its cost of appraising the property.

14. TIME. Buyer and Seller mutually agree to fully and timely execute such papers as deemed necessary to complete the conveyance in accordance with the terms of this contract. Time is of the essence of this Contract. All obligations are subject to Acts of God or Nature or any other occurrence, which is beyond the control of Seller or Buyer.

15. CONTRACT: Seller acknowledges that this Contract is being entered in lieu of Buyer filing a condemnation lawsuit to take the Property as permitted under Article 23(a) of the Installment Sale Agreement dated October 1, 2000. Seller, therefore, agrees to provide at closing a fully executed warranty deed to Buyer in lieu of condemnation proceedings. In addition, Seller agrees to provide disclaimers signed by any and all Lessees and Sub-Lessees, disclaiming any and all right, title or interest in the Property including any right or entitlement to any compensation whatsoever from either Seller or Buyer for the taking of their leasehold interest. Seller and Buyer further mutually agree to fully and timely execute such other papers or documents deemed necessary to complete the conveyance in accordance with the terms of the Contract. Time is of the essence of this Contract. All obligations are subject to Acts of God or Nature or any other occurrence, which is beyond the control of Seller or Buyer.

16. BROKERS. Buyer and Seller warrant that neither party has hired a broker or agent and that there are no real estate fees or commissions due pursuant to this transaction to any real estate broker or agent shall be paid by the Seller. Sellers shall hold Buyer harmless from and against any and all claims, liability, cost, expense, damages, judgments and causes of action, including reasonable attorney's fees, based on real estate commissions claimed due pursuant to this transaction to any real estate broker or real estate agent.

17. EXPENSES. Buyer shall be responsible for recording fees on the Warranty Deed and shall be responsible for the payment of Florida Documentary Stamp Taxes and Miami-Dade County Surtax on the Warranty Deed.

18. LOSS. All risk of loss to the Building shall be borne by Seller until transfer of title.

19. ACCESS. Seller warrants and represents that there is legal ingress and egress to the Building being purchased under this contract.

20. POSSESSION. Seller shall deliver possession of the Building and keys to all locks, if any, to the Buyer at closing.

21. DEFAULT. If either party defaults under this Contract, then the other party may waive the default and proceed with closing without adjustment to the purchase price, in which event any and all claims with respect to such default shall be deemed extinguished, or either party may seek specific performance. In no event shall either party be liable for any damages (actual, special consequential, punitive or otherwise) for any default under this Contract.

22. LITIGATION. In the event of any litigation arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorney's fees and costs from the other party upon final court judgment, including appellate proceedings.

23. DISCLOSURE. Seller warrants that there are no facts which materially and adversely affect the physical condition and present use of the Building which have not been disclosed by Seller to Buyer or which are not readily observable to Buyer or which Buyer cannot discover during customary due diligence.

24. SUCCESSORS IN INTEREST. This Contract will ensure to the benefit of and be binding upon, and is intended solely for the benefit of the parties hereto, and their respective heirs, personal representatives, successors, and assigns; and no third party will have any rights, privileges or other beneficial interests herein or hereunder.

25. GOVERNING LAW. This Contract is governed by and will be construed in accordance with the laws of the State of Florida, and in the event of any litigation concerning the terms of this Contract; proper venue thereof will be in Miami-Dade County.

26. INVALID PROVISIONS. In the event any term or provision of this Contract is held illegal, unenforceable or inoperative as a matter of law, the remaining terms and provisions will not be affected thereby, but will be valid and remain in force and effect, provided that the inoperative provision (s) are not essential to the interpretation or performance of this Contract in accordance with the clear intent of the parties.

27. RECORDING. This Contract or notice thereof may be recorded by Buyer in the minutes of the Clerk of the Board of County Commissioners Miami-Dade County, Florida, but shall not be recorded in the official public records of the Clerk of the Court of Miami-Dade County, Florida.

28. ASSIGNMENT. Neither this Contract nor any interest therein shall be assigned by Buyer or Seller without the express written consent of each other.

29. ENTIRE AGREEMENT. This Contract contains the entire agreement between the parties hereto as it pertains to the subject matter contained herein and shall supersede and take precedence over any and all prior and contemporaneous agreements and understandings between the parties hereto.

30. EFFECTIVENESS. The effectiveness of this Contract is contingent upon approval by the Miami-Dade County Board of County Commissioners ("Board"), as well as public hearing approval pursuant to Section 33-303 of the Code of Miami-Dade County, if applicable, and provided no motion to reconsider such approval is made at the next regularly scheduled meeting of said Board. If a motion to reconsider approval hereof is made within such time, then the Effective Date hereof shall be the date of the next regularly scheduled meeting of the Board, at which next regularly scheduled meeting, provided a motion to reconsider has been filed, the Board shall reconsider its prior approval hereof; provided further, however, that such initial Board approval or subsequent reconsideration and approval ratification shall not be effective until the earlier of; a) the date the Mayor of Miami-Dade County indicates approval of such Commission action; or b) the lapse of ten (10) days without the Mayor's veto (the "Effective Date").

In the event that the Mayor vetoes the Board approval, the Board approval shall not be effective in the absence of an override of the Mayor's veto that shall be at the next regularly scheduled meeting of the Board after the veto occurs, in which case such override date shall be the Effective Date. The actions of the Commission and the Mayor in connection with the award or rejection of any contract rests within their sole discretion. The date of such approval of the Contract by Buyer, as set forth above is the Effective Date of this Contract.

31. RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in the 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.

32. NOTICE. All communications regarding this transaction shall be directed to:
as to Buyer:

Miami Dade County
Director
General Services Administration
111 NW 1st Street, Suite 2410
Miami, Florida 33128

as to Seller:

Ronald E. Frazier, Chairman
BAC Funding Corporation
6600 NW 27th. Avenue
Miami, FL 33147

[SIGNATURES CONTINUE ON NEXT PAGE]

IN WITNESS WHEREOF, the Buyer and Seller have duly executed this Contract as of the day and year above written.

BUYER:

MIAMI-DADE COUNTY

ATTEST:

By: _____
Clerk

By: _____
County Manager

Date: _____

SEAL:

Approved as to form
and legal sufficiency.

Assistant County Attorney

[SIGNATURES CONTINUE ON NEXT PAGE]

SELLER:

BAC FUNDING CORPORATION

By: _____

Witness

Print

Witness

Print

STATE OF _____
COUNTY OF _____

I HEREBY CERTIFY, that on this _____ day of _____, 200 , before me, an officer duly authorized to administer oaths and take acknowledgments, personally appeared _____ for _____, personally known to me, or proven, by producing the following identification: _____ to be the person who executed the foregoing instrument freely and voluntarily for the purposes therein expressed.

WITNESS my hand and official Seal at _____, in the County and State aforesaid, on this, the ____ day of _____, 200 .

(SEAL)

Print Name

NOTARY SEAL / STAMP

Notary Public, State of _____
My Commission expires _____

EXHIBIT "A"
Legal Description

ATTACHMENT "B"
LEASE AGREEMENT
RETAIL SPACE

THIS AGREEMENT made on the _____ day of _____, 2007, by and between MIAMI-DADE COUNTY, a political subdivision of the State of Florida, herein sometimes designated or referred to as the "LANDLORD," and BAC FUNDING CORPORATION, a Florida not for profit corporation, hereinafter referred to as the "TENANT,"

WITNESSETH:

That LANDLORD, for and in consideration of the restrictions and covenants herein contained, hereby leases to TENANT and TENANT hereby agrees to lease from LANDLORD the PREMISES described as follows: Ground floor retail space containing approximately three thousand nine hundred and three (3,903) square feet (see Exhibit "A") ("PREMISES") at The MLK Office Building, located at 2525 NW 62nd. Street, Miami, FL ("Building").

TO HAVE AND TO HOLD unto said TENANT for a term of Thirty (30) years, commencing upon approval of the Board of County Commissioners and acceptance of the PREMISES, and terminating Thirty (30) years thereafter, for a total rental of One Dollar (\$1.00) per year payable in full, in advance, at the beginning of the Term to the Board of County Commissioners, c/o General Services Administration, 111 N.W. First Street, Suite 2460, Miami, Florida 33128-1907, or at such other place and to such other person as LANDLORD may from time to time designate in writing, as set forth herein.

IT IS FURTHER MUTUALLY UNDERSTOOD AND AGREED BY THE RESPECTIVE PARTIES HERETO:

ARTICLE I
USE OF PREMISES

The area of the PREMISES shall be used by TENANT either as administrative or operating

offices or rented to other persons which would be in furtherance of TENANT's charitable purpose. Tenant shall be permitted to conduct its business during the hours of 6:00AM through 8:00 PM Monday through Saturday.

ARTICLE II
CONDITION OF PREMISES

LANDLORD acknowledges that TENANT has constructed leasehold improvements and provided furniture, fixtures and equipment (Exhibit "B") to the Premises. TENANT hereby accepts the PREMISES in the condition they are in at the beginning of this Lease Agreement. The LANDLORD agrees to work with the TENANT to provide access to the PREMISES which will allow the TENANT to serve the public at times other than when the Building is open provided that whatever arrangement LANDLORD and TENANT agree upon will not interfere with the security of the Building. All decisions affecting the security of the Building are in the sole and absolute discretion of the LANDLORD.

ARTICLE III
UTILITIES

The LANDLORD, during the term hereof, shall pay all charges for water, waste water, solid waste and electricity used by the TENANT and shall provide janitorial and custodial services and security service, as normally provided to the other tenants in the Building. Specifically excluded from these expenses are costs related to the operating of the TENANT's business. As an example, but not limiting this restriction to the operating of a restaurant, if the TENANT were to keep its PREMISES open for periods longer than normal business hours (6:00AM until 8:00PM Monday through Saturday) the costs of operating the PREMISES for any additional time are not to be paid by the LANDLORD.

ARTICLE IV
MAINTENANCE

The LANDLORD agrees to maintain and keep in good repair, condition, and appearance, during the term of this Lease Agreement or any extension or renewal thereof, the exterior and interior of the

Building.

TENANT agrees to maintain and keep in good repair, condition, and appearance, during the term of this Lease Agreement or any extension or renewal thereof, the interior of the PREMISES. TENANT shall be responsible for and shall repair any damage caused to the PREMISES as a result of TENANT or TENANT's agents, employees, invitees, or visitors use of the PREMISES, ordinary wear and tear excepted. LANDLORD shall notify TENANT after discovering any damage which TENANT is responsible for repairing and TENANT shall make the necessary repairs promptly after said notice. TENANT shall be permitted to make alterations and/or improvements to its Premises provided that:

- a) Prior to commencement of any work TENANT shall receive the written permission of the LANDLORD which permission shall not be unreasonably withheld or delayed,
- b) That any work PERFORMED by the TENANT shall not interfere with the normal operations of the Building.
- c) That all work shall be paid for by the TENANT.

ARTICLE V **DESTRUCTION OF PREMISES**

In the event the PREMISES should be destroyed or so damaged by fire, windstorm, or other casualty to the extent that the PREMISES are rendered untenable or unfit for the purpose of TENANT, either party may cancel this Lease Agreement by the giving of thirty (30) days' prior written notice to the other. If either the PREMISES or the Building are partially damaged due to TENANT's negligence, but not rendered unusable for the purposes of this Lease Agreement, the same shall with due diligence be repaired by TENANT from proceeds of the insurance coverage and/or at its own cost and expense. If the damage shall be so extensive as to render such PREMISES unusable for the purposes intended, but capable of being repaired within thirty (30) days, the damage shall be repaired with due diligence by TENANT from the proceeds of the insurance coverage policy and/or at its own cost and expense. In the event that said PREMISES are completely destroyed due to TENANT's negligence, TENANT shall repair and reconstruct the PREMISES so that they equal the condition of the PREMISES on the date possession was given to TENANT. In lieu of reconstructing, TENANT shall

reimburse LANDLORD all expenses incurred by LANDLORD in restoring the PREMISES to their original condition. The election of remedies shall be at the sole discretion of LANDLORD.

ARTICLE VI
ASSIGNMENT AND SUBLETTING

Without the written consent of LANDLORD first obtained in each case, which consent shall not be unreasonably withheld or delayed, TENANT SHALL not sublet, except to the sub-lessees whose subleases are attached hereto as Exhibit "C", transfer, mortgage, pledge, or dispose of this Lease Agreement for the term hereof. Notwithstanding the forgoing, the Tenant shall not be relieved of its obligations or responsibilities under this Lease Agreement, including the payment of rent and any other expenses, in the event of a sub-lessee's default.

ARTICLE VII
NO LIABILITY FOR PERSONAL PROPERTY

All personal property and leasehold improvements owned and placed or moved in the PREMISES above described shall be at the risk of TENANT or the owner thereof. LANDLORD shall not be liable to TENANT for any damage to said personal property unless caused by or due to negligence of LANDLORD, LANDLORD's agents or employees, subject to all limitations of Florida Statutes, Section 768.28.

ARTICLE VIII
SIGNS

Signs will be of the design and form of letter to be first approved by LANDLORD, the cost of painting to be paid by TENANT. All signs shall be removed by TENANT at termination of this Lease Agreement and any damage or unsightly condition caused to PREMISES because of or due to said signs shall be satisfactorily corrected or repaired by TENANT. Notwithstanding the foregoing, all existing signs pertaining to the Premises on both the interior and exterior of the Premises and the Building are hereby approved and hereby recognized as the personal property of the TENANT.

ARTICLE IX

LANDLORD'S RIGHT OF ENTRY

LANDLORD or any of its agents shall have the right to enter said PREMISES during all reasonable working hours, upon the giving of twenty-four (24) hours' prior notice, to examine the same or to make such repairs, additions, or alterations as may be deemed necessary for the safety, comfort, or preservation thereof. Said right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions which do not conform to this Lease Agreement.

**ARTICLE X
PEACEFUL POSSESSION**

Subject to the terms, conditions, and covenants of this Lease Agreement, LANDLORD agrees that TENANT shall and may peaceably have, hold, and enjoy the PREMISES above described, without hindrance or molestation by LANDLORD.

**ARTICLE XI
SURRENDER OF PREMISES**

TENANT agrees to surrender to LANDLORD, at the end of the term of this Lease Agreement or any extension thereof, said PREMISES in as good condition as said PREMISES were at the beginning of the term of this Lease Agreement, ordinary wear and tear and damage by fire and windstorm or other acts of God excepted. This Article XI also applies to the TENANT's leasehold improvements and furniture, fixtures and equipment which are in the PREMISES at the end of the Term. Tenant, at LANDLORDS option, shall remove the leasehold improvements and furniture fixtures and equipment and make any and all repairs required to bring the PREMISES to its original condition of a vanilla shell.

**ARTICLE XII
INDEMNIFICATION AND HOLD HARMLESS**

TENANT shall indemnify and hold harmless the LANDLORD and its officers, employees, agents and instrumentalities from any and all liability, losses, or damages, including attorney fees and costs of defense, which the LANDLORD or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising

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out of, relating to or resulting from the performance of the Lease Agreement by the TENANT or its employees, agents, servants, partners, principals or subcontractors. TENANT shall pay all claims and losses in connection therewith, and shall investigate and defend all claims, suits, or actions of any kind or nature in the name of the LANDLORD, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. TENANT expressly understands and agrees that any insurance protection required by this Lease Agreement or otherwise provided by TENANT shall in no way limit the responsibility to indemnify, keep and save harmless and defend the LANDLORD or its officers, employees, agents and instrumentalities as herein provided.

LANDLORD shall indemnify and hold harmless the TENANT and its officers, employees, agents and instrumentalities from any and all liability, losses, or damages, including attorney fees and costs of defense, which the TENANT or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of the Lease Agreement by the LANDLORD or its employees, agents, servants, partners, principals or subcontractors. LANDLORD shall pay all claims and losses in connection therewith, and shall investigate and defend all claims, suits, or actions of any kind or nature in the name of the TENANT, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. LANDLORD expressly understands and agrees that any insurance protection required by this Lease Agreement or otherwise provided by LANDLORD shall in no way limit the responsibility to indemnify, keep and save harmless and defend the TENANT or its officers, employees, agents and instrumentalities as herein provided except as provided for under Article XIII below.

ARTICLE XIII
LIABILITY FOR DAMAGE OR INJURY

LANDLORD shall not be liable for any damage or injury which may be sustained by any party or person on the PREMISES other than the damage or injury caused solely by the negligence of LANDLORD, its officers, employees, agents, invitees, or instrumentalities, subject to all limitations of

ARTICLE XIV
SUCCESSORS IN INTEREST

It is hereby covenanted and agreed between the parties that all covenants, conditions, agreements, and undertakings contained in this Lease Agreement shall extend to and be binding on the respective successors and assigns of the respective parties hereto, the same as if they were in every case named and expressed.

ARTICLE XV
CANCELLATION

CANCELLATION BY LANDLORD: The occurrence of any of the following shall cause this Lease Agreement to be terminated by the LANDLORD upon the terms and conditions also set forth below:

- A. Automatic Termination:
 - 1) Institution of proceedings in voluntary bankruptcy by the TENANT.
 - 2) Institution of proceedings in involuntary bankruptcy against the TENANT if such proceedings continue for a period of ninety (90) days.
 - 3) Assignment by TENANT for the benefit of creditors.
- B. Termination after fifteen (15) days written notice by the LANDLORD by certified or registered mail to TENANT for doing any of the following:
 - 1) Non-payment of any sum or sums due hereunder after the due date for such payments; provided, however, that such termination shall not be effective if TENANT makes the required payment(s) during the fifteen (15) calendar day period following mailing of the written notice.
 - 2) Notice of any condition posing a threat to health or safety of the public or patrons and not remedied within the ten (10) day period from receipt of written notice.
- C. Termination after fourteen (14) days from receipt by TENANT of written notice by certified or registered mail to the address of the TENANT as set forth below for:
 - 1) Non-performance of any covenant of this Lease Agreement other than non-payment of

rent and others listed in A and B above, and failure of the TENANT to remedy such breach within the thirty (30) day period from receipt of the written notice.

- D. A final determination in a court of law in favor of the LANDLORD in litigation instituted by the TENANT against the LANDLORD or brought by the LANDLORD against TENANT.

ARTICLE XVI

OWNERSHIP OF LEASEHOLD IMPROVEMENTS AND FURNITURE FIXTURES AND EQUIPMENT

Regarding TENANT's leasehold improvements and furniture, fixtures and equipment which are in the PREMISES at the end of the Term, Tenant, at LANDLORDS option, shall remove the leasehold improvements and furniture fixtures and equipment and make any and all repairs required to bring the PREMISES to its original condition of a vanilla shell. If LANDLORD shall not require such removal then the TENANT shall either remove the leasehold improvements and furniture fixtures and equipment and make any and all repairs required to bring the PREMISES to its original condition of a vanilla shell, or leave said leasehold improvements, furniture, fixtures and equipment which will be considered abandoned and which the LANDLORD may dispose of in its sole discretion.

ARTICLE XVII **NOTICES**

It is understood and agreed between the parties hereto that written notice addressed to LANDLORD and mailed or delivered to the Director, General Services Administration, 111 N.W. 1st Street, Suite 2460, Miami, Florida 33128-1907, shall constitute sufficient notice to LANDLORD, and written notice addressed to TENANT and mailed or delivered to the address of TENANT at 6600 NW 27th. Avenue, Miami, Florida 33147 shall constitute sufficient notice to TENANT to comply with the terms of this Lease Agreement.

Any change of address by one party shall be immediately transmitted to the other party. Notices provided herein in this paragraph shall include all notices required in this Lease Agreement or required by law.

ARTICLE XVIII
INSURANCE

Prior to occupancy, TENANT shall furnish to the Real Estate Management Section of Miami-Dade County, c/o General Services Administration, 111 N.W. First Street, Suite 2460, Miami, Florida 33128-1907, certificate(s) of insurance which indicate(s) that insurance coverage has been obtained which meets the requirements as outlined below:

- A. Public Liability Insurance, in an amount not less than \$300,000 combined single limit per occurrence for bodily injury and property damage. MIAMI-DADE COUNTY must be shown as an additional insured with respect to this coverage.
- B. Automobile Liability Insurance, covering all owned, non-owned, and hired vehicles used in connection with the Lease Agreement in an amount not less than \$300,000 combined single limit for bodily injury and property damage.
- C. Workman's Compensation Insurance as required by Chapter 440, Florida Statutes.

The insurance coverage required shall include those classifications as listed in Standard Liability Insurance Manuals which most nearly reflect the operations of TENANT under this Lease Agreement.

The insurance policies required above shall be issued by companies authorized to do business under the laws of the State of Florida, with the following qualifications as to management and financial strength:

The Company must be rated no less than "B" as to management, and no less than "Class V" as to financial strength, by the latest edition (1986 or later) of Best's Insurance Guide, published by A. M. Best Company, Oldwick, New Jersey, or its equivalent subject to the approval of the County Risk Management Division.

or

The Company must hold a valid Florida Certificate of Authority as shown in the latest "List of All Insurance Companies Authorized or Approved to Do Business in Florida", issued by the State of Florida Department of Insurance and must be members of the Florida Guaranty Fund.

Certificates will indicate that no modification or change in insurance shall be made without thirty (30) days' written advance notice to the certificate holder.

Compliance with the foregoing requirements shall not relieve TENANT of its liability and obligations under this Section or under the Indemnification and Hold Harmless Article, or any other

portion of this Lease Agreement.

TENANT shall be responsible for assuring that the insurance certificates required in conjunction with this section remain in full force for the duration of this Lease Agreement. If insurance certificates are scheduled to expire during the term of the Lease Agreement, TENANT shall be responsible for submitting new or renewed insurance certificates to the LANDLORD at a minimum of thirty (30) days in advance of such expiration.

ARTICLE XIX
PERMITS, REGULATIONS & SPECIAL ASSESSMENTS

TENANT covenants and agrees that during the term of this Lease Agreement, TENANT will obtain any and all necessary permits and approvals and that all uses of the PREMISES will be in conformance with all applicable laws, including all applicable zoning regulations.

Any and all charges, taxes, or assessments levied against the PREMISES shall be paid by TENANT and failure to do so will constitute a breach of this Lease Agreement.

ARTICLE XX
FORCE MAJEURE

TENANT and LANDLORD shall be excused for the period of any delay and shall not be deemed in default with respect to the performance of any of the non-monetary terms, covenants, and conditions of the Lease Agreement when prevented from so doing by cause or causes beyond TENANT's or LANDLORD's control, excluding filing of bankruptcy, but which shall include, without limitation, all labor disputes, governmental regulations or controls, fire or other casualty, acts of God, or any other cause, whether similar or dissimilar to the foregoing, not within the control of TENANT or LANDLORD.

ARTICLE XXI
WAIVER

If, under the provisions hereof, LANDLORD or TENANT shall institute proceedings and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any covenant

herein contained nor of any of LANDLORD's or TENANT'S rights hereunder, unless expressly stated in such settlement agreement. No waiver by LANDLORD or TENANT of any provision hereof shall be deemed to have been made unless expressed in writing and signed by both parties. No waiver by LANDLORD or TENANT of any breach of covenant, condition, or agreement herein contained shall operate as a waiver of such covenant, condition, or agreement itself, or of any subsequent breach thereof. No payment by TENANT or receipt by LANDLORD of lesser amount than the yearly installments of rent (or additional rent obligations stipulated) shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement on any check or letter accompanying a check for payment of rent or any other amounts owed to LANDLORD be deemed an accord and satisfaction and LANDLORD may accept such check or payment without prejudice to or waiver of LANDLORD's right to recover the balance of such rent or other amount owed or to pursue any other remedy provided in this Lease Agreement. No reentry by LANDLORD and no acceptance by LANDLORD of keys from TENANT shall be considered an acceptance of a surrender of this Lease Agreement.

ARTICLE XXII
DEFAULT OF TENANT

If TENANT shall fail to pay any yearly installment or item of rent on the date when the same becomes due or shall violate or fail to perform any of the other conditions, covenants, or agreements herein made by TENANT, and if such violation or failure continues for a period of thirty (30) days after written notice thereof to TENANT by LANDLORD, except for failure to pay rent, which shall have a fifteen (15) day period for cure after written notice thereof to TENANT by LANDLORD, and further, if TENANT shall be diligently attempting to cure such failure to perform any other conditions, covenants, or agreements, the time to cure such failure shall be extended for so long as TENANT shall diligently prosecute such cure, then LANDLORD may proceed with any remedy available at law or in equity in the State of Florida or by such other proceedings, including reentry and possession, as may be

applicable. All rights and remedies of LANDLORD under this Lease Agreement shall be cumulative and shall not be exclusive of any other rights and remedies provided to LANDLORD under applicable law.

ARTICLE XXIII
ADDITIONAL PROVISIONS

1. Mechanic's, Materialmen's and Other Liens

TENANT agrees that it will not permit any mechanic's, materialmen's or other liens to stand against the PREMISES for work or materials furnished to TENANT; it being provided, however, that TENANT shall have the right to contest the validity thereof. TENANT shall immediately pay any judgment or decree rendered against TENANT, with all proper costs and charges, and shall cause any such lien to be released off record without cost to LANDLORD.

2. Non-Discrimination

The Board of County Commissioners declared and established as a matter of policy, by Resolution No. 9601 dated March 24, 1964, that there shall be no discrimination based on race, color, creed, or national origin and Resolution No. 85-92 dated January 21, 1992, that there shall be no discrimination on the basis of disability in connection with any County property or facilities operated or maintained under lease agreement, license, or other agreement from MIAMI-DADE COUNTY or its agencies.

TENANT agrees to comply with the intention of Resolution No. 9601 dated March 24, 1964 and Resolution No. 85-92 dated January 21, 1992, involving the use, operation, and maintenance of the property and facilities included in this Lease Agreement.

ARTICLE XXIV
HOLDOVER

If TENANT, with LANDLORD's consent, remains in possession of the PREMISES after expiration of the term and if LANDLORD and TENANT have not executed an expressed written agreement as to such holding over, then such occupancy shall be a tenancy from month to month at a monthly rental for the first month, after expiration of the term, equivalent to one hundred percent

(100%) of the monthly rental in effect immediately prior to expiration, such payments to be made as herein provided. In the event of such holding over, all of the terms of the Lease Agreement including the payment of all charges owing hereunder other than rent shall remain in force and effect on said month to month basis.

ARTICLE XXV
GOVERNING LAW

This Agreement, including any exhibits or amendments, if any, and all matters relating thereto (whether in contract, statute, tort or otherwise) shall be governed by and construed in accordance with the laws of the State of Florida.

ARTICLE XXVI
WRITTEN AGREEMENT

This Lease Agreement contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by resolution approved by the Board of County Commissioners.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, LANDLORD and TENANT have caused this Lease Agreement to be executed by their respective and duly authorized officers the day and year first above written.

(CORPORATE SEAL)

BAC Funding Corporation.

WITNESS

(TENANT)

WITNESS

STATE OF FLORIDA
MIAMI-DADE COUNTY

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the State aforesaid and in the County aforesaid to take acknowledgements, the foregoing instrument was acknowledged before me by _____, as _____ of _____, on behalf of the _____, He/she is personally known to me or has produced _____ as identification.

WITNESS my hand and official seal in the County and State last aforesaid this ___ day of _____, 2004.

By: _____
Notary Public
Print Name: _____
My Commission Expires: _____

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

By: _____
George M. Burgess
County Manager

ATTEST:
HARVEY RUVIN, CLERK

By: _____
DEPUTY CLERK

Approved as to form and legal sufficiency:

Assistant County Attorney

LEASE AGREEMENT

Exhibit "A"

PREMISES

Exhibit "A"

Legal Description and Map of the Property

MLK Transit Station Joint Development Site Legal Description

Approximately the South 1/2 of the East 2/3 of the following real property:

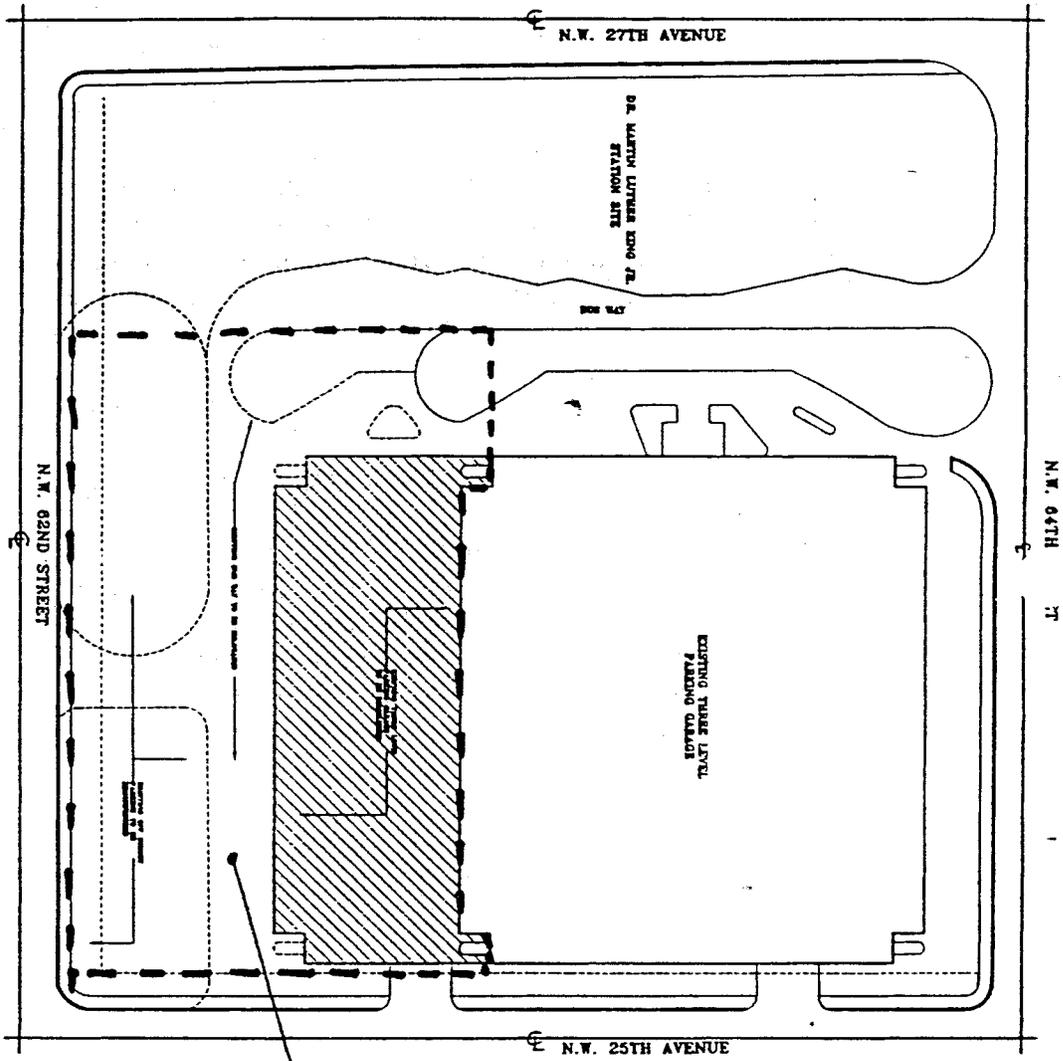
Tract A, Lots 1 through 6 inclusive, the alley lying between said Tract A and said Lots 1 through 6, closed by Resolution Number 6862, and that portion of NW 64 Street, closed by Resolution Number 10912, Stevens Center, according to the Plat thereof, as recorded in Plat Book 51, Page 75 of the Public Records of Miami-Dade County, Florida and the South 185.00 feet of the West 200.00 feet of the Southwest 1/4 of the Southwest 1/4 of the Northwest 1/4 of Section 15, Township 53 South, Range 41 East, less the South 35.00 feet and the West 50.00 feet thereof for road purposes and a portion of Lots 5 and 6, Block 1 and a portion of Lot 1, Block 2, Elizabeth Park, according to the Plat thereof as recorded in Plat Book 4, Page 195 of the public records of Miami-Dade County, Florida.

The area described above is outlined on the attached site plan.

This legal description of the subject Land is to be verified by subsequent certified Boundary Survey to be completed on or before September 30, 1999 and which certified Boundary Survey shall substitute for the present Exhibit "1." The certified Boundary Survey to be prepared shall include all existing and proposed vehicle driveways, and all existing and proposed ingress and egress from the site for vehicles including Miami Dade Transit Agency vehicles.

GRAPHIC SCALE:
NOT TO SCALE

EXISTING SITE PLAN



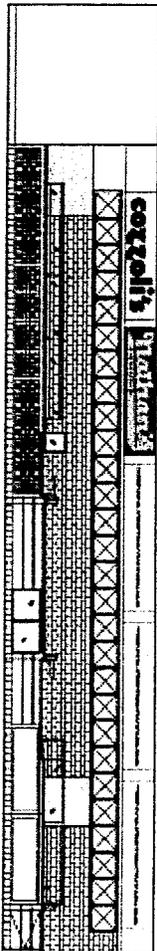
Approximate area described in legal (outlined)

Exhibit "B"

Restaurant Equipment and Tenant Improvements

BAC MLK Subway Food Court - Leashold Improvements & Equipment

Subway Equipment/Coolers/Bakery Oven, etc.	91,565.00
Sneeze Guards	2,200.00
Leather Sofas	2,330.00
2 Panasonic 42" Plasma TV's	5,804.75
Three (3) 10-ton water source heat pump package units 13.5 S.E.E.R. [A/C System]	62,300.00
Two (2) Hoods and Fire Suppression System	24,500.00
Monitor Module for Hood	4,860.00
Serving Hot Food Steam Table, Electric Range, Rotisserie Oven	8,976.65
Tile & Floor Work	29,857.00
Switch Gears, Wiring, Piping, Light Fixtures, Outlet Installations, etc. (Electrical)	48,239.00
Plumbing, Grease Traps (external & internal), Water Heaters, Ice Makers	61,900.60
Fire Partition Wall	5,200.00
Sprinkler System, Cooler System, Mechanical	17,500.00
Awnings - (In Process)	7,750.00
Food Court Inline Neon Signage	1,525.00
Menu Boards	1,120.00
Countertop & Cabinets (Carpentry Work)	<u>3,500.00</u>
	372,983.00



SUBWAY INTERIOR
TENANT IMPROVEMENT PROJECT
2525 N.W. 62 STREET, MIAMI, FL

100% CONTRACT DOCUMENTS
MARCH 21, 2004

PRIME ARCHITECT

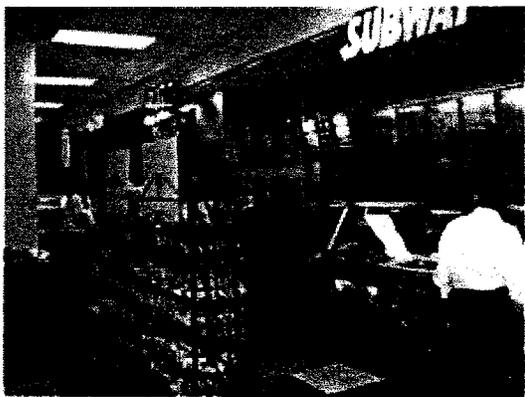


RONALD E. FRAZIER & ASSOCIATES, P.A.
ARCHITECTS • URBAN DESIGNERS • PLANNING CONSULTANTS
1125 MICAYNE BOULEVARD SUITE 2001 • MIAMI, FLORIDA 33137 • PHONE: (305) 593-4623 • E-MAIL: OFFICE@RFR.COM

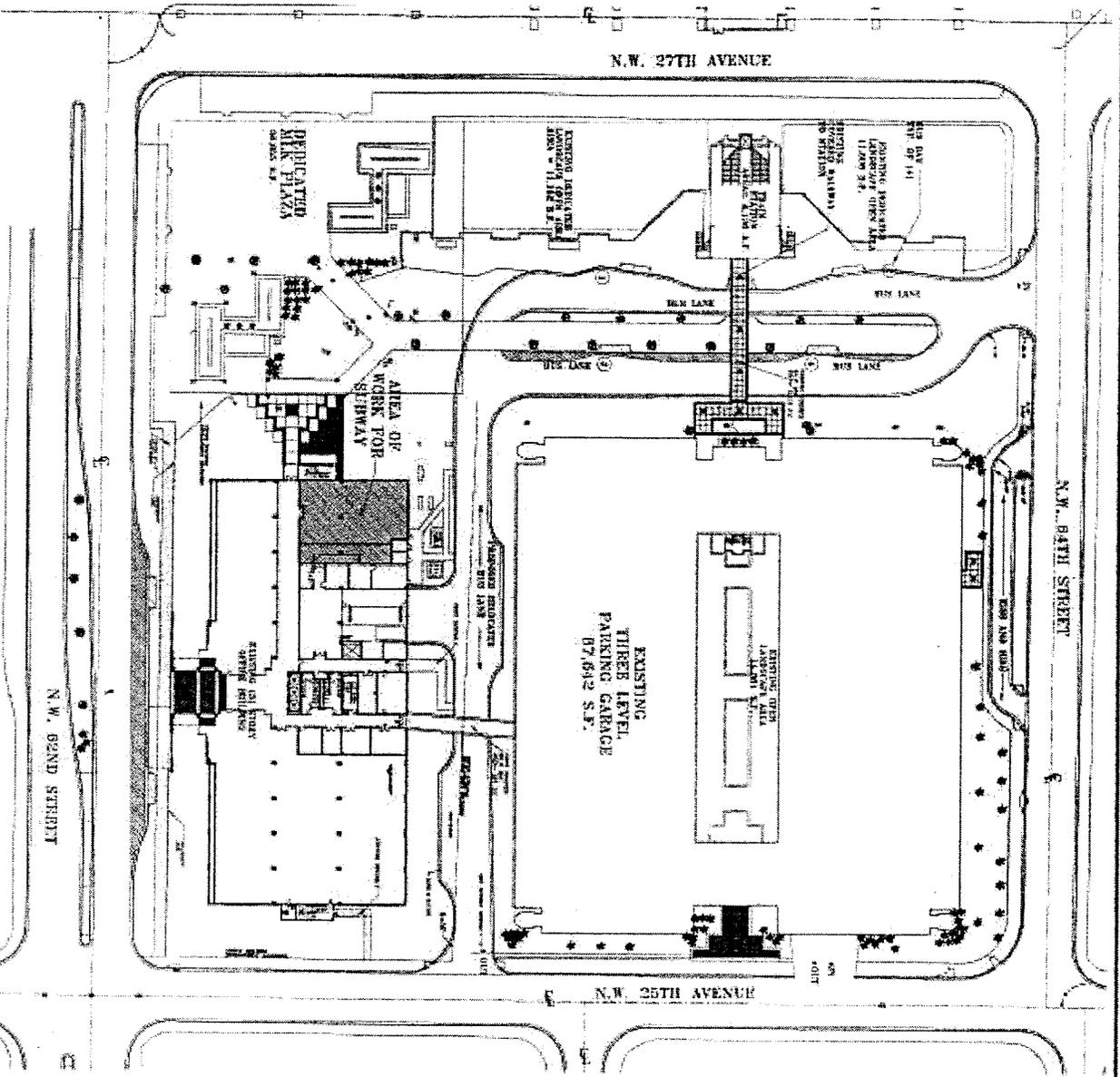
CONSULTANTS

MEP:

BASULTO & ASSOCIATES
480 W 63RD STREET
HIALEAH, FL 33014
PHONE: (305) 698-3988



SITE AND AREA LOCATION PLAN
 SCALE: 1" = 50'-0"



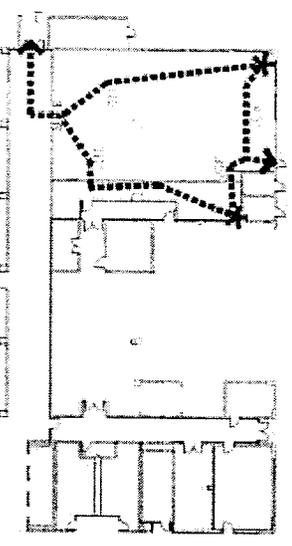
NO.	REVISION	DATE

DR. MARTIN LUTHER KING JR. PLAZA
 MILK TRANSIT DEVELOPMENT PROJECT
 SUBWAY TENANT IMPROVEMENT PLAN
 2000 N.W. 62ND STREET MIAMI - FL 33150



RONALD E. HRAZIER & ASSOCIATES, P.A.
 ARCHITECTS
 2000 N.W. 62ND STREET MIAMI, FL 33150
 TEL: (305) 551-1111
 FAX: (305) 551-1112

SITE PLAN &
 AREA ERECTION PLAN
 SCALE: 1" = 50'-0"
 PROJECT NO. 11-11-11
 DATE: 11/11/11



EGRESS SAFETY PLAN

NO.	DESCRIPTION	AREA (SQ. FT.)	OCCUPANCY	LOAD FACTOR	LOAD (SQ. FT.)
1	EXISTING THREE LEVEL PARKING GARAGE	87,642	PARKING	1.00	87,642
2	EXISTING OFFICE LABORATORY AREA	11,000	OFFICE	1.00	11,000
3	EXISTING RESTAURANT	2,000	RESTAURANT	1.50	3,000
4	EXISTING KITCHEN	1,000	KITCHEN	1.50	1,500
5	EXISTING CORRIDOR	1,000	CORRIDOR	1.00	1,000
6	EXISTING STAIR	500	STAIR	1.00	500
7	EXISTING ELEVATOR	500	ELEVATOR	1.00	500
8	EXISTING MECHANICAL	500	MECHANICAL	1.00	500
9	EXISTING RESTROOM	500	RESTROOM	1.00	500
10	EXISTING STORAGE	500	STORAGE	1.00	500
11	EXISTING LOBBY	500	LOBBY	1.00	500
12	EXISTING RECEPTION	500	RECEPTION	1.00	500
13	EXISTING CONFERENCE	500	CONFERENCE	1.00	500
14	EXISTING BREAK ROOM	500	BREAK ROOM	1.00	500
15	EXISTING STORAGE	500	STORAGE	1.00	500
16	EXISTING STORAGE	500	STORAGE	1.00	500
17	EXISTING STORAGE	500	STORAGE	1.00	500
18	EXISTING STORAGE	500	STORAGE	1.00	500
19	EXISTING STORAGE	500	STORAGE	1.00	500
20	EXISTING STORAGE	500	STORAGE	1.00	500
21	EXISTING STORAGE	500	STORAGE	1.00	500
22	EXISTING STORAGE	500	STORAGE	1.00	500
23	EXISTING STORAGE	500	STORAGE	1.00	500
24	EXISTING STORAGE	500	STORAGE	1.00	500
25	EXISTING STORAGE	500	STORAGE	1.00	500
26	EXISTING STORAGE	500	STORAGE	1.00	500
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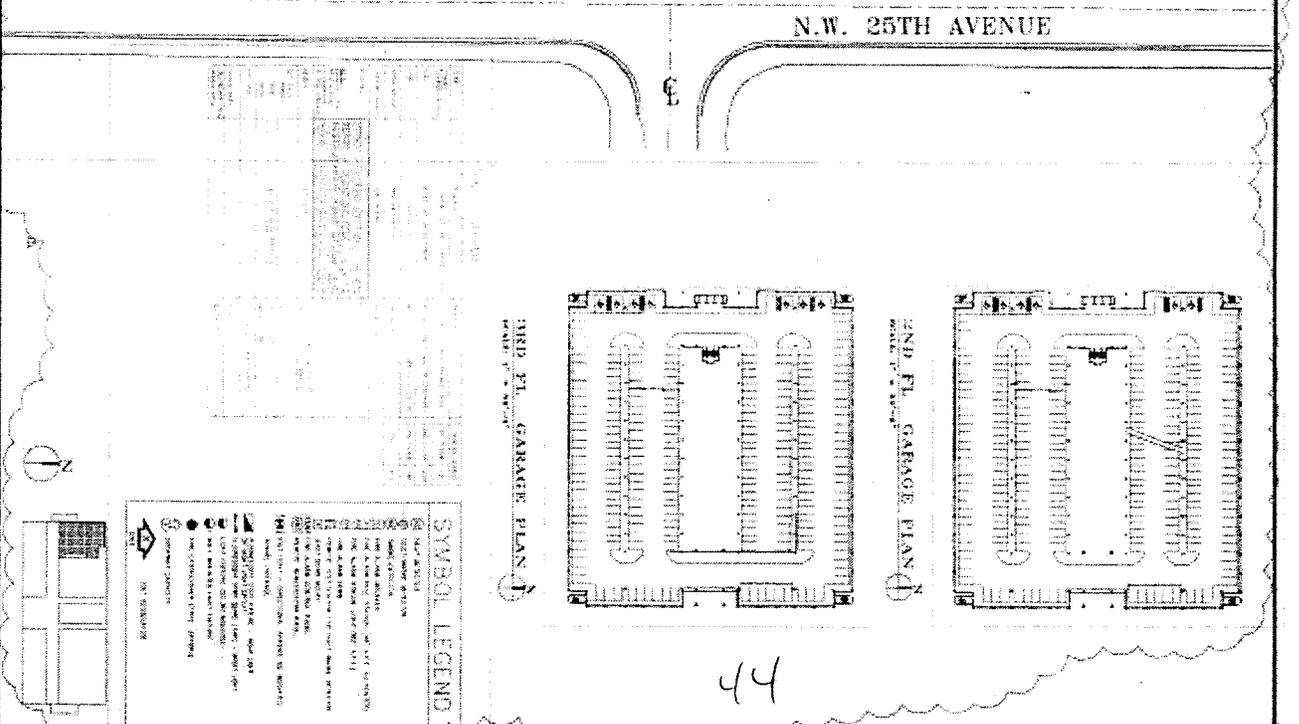
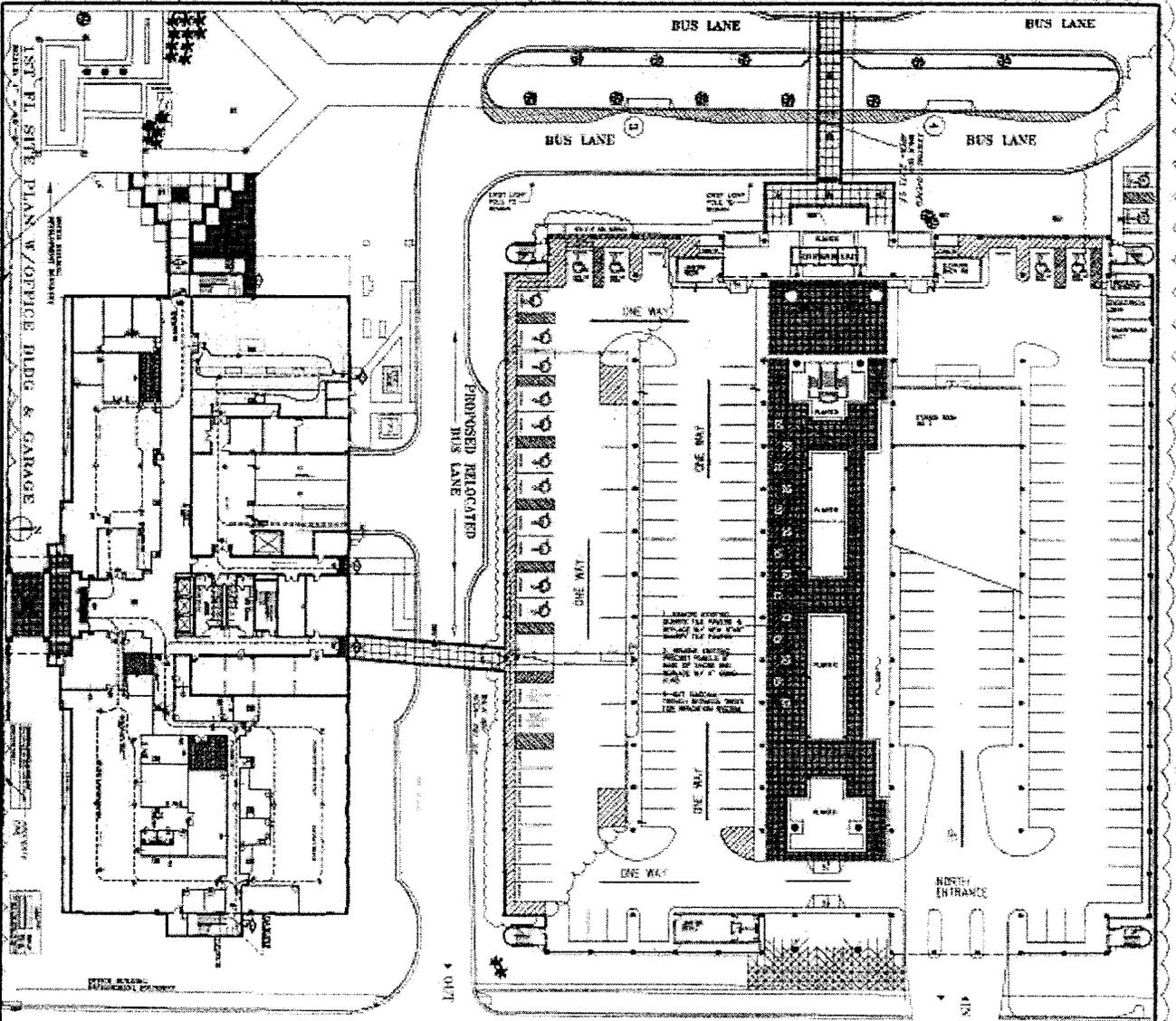
EXIT CALCULATIONS
 AREA OF RENOVATION WORK FOR SUBWAY FOOD COURT = 4019 SQ. FT.
PER OCCUPANCY TYPES :
 RESTAURANT WITH MOVABLE SEATING, ACCESSORY TO OFFICE BUILDING OCCUPANT LOAD FACTOR = 1.5/SE. OCCUPANT LOAD = 2678 SF + 15 = 163
 BASE RESTAURANT, KITCHEN, OCCUPANT LOAD FACTOR = 1.00/SE
 OCCUPANT LOAD = 1583 SF + 100 = 16
TOTAL OCCUPANT LOAD = 163+16 = 179
TOTAL EXIT WIDTH REQUIRED = 179 x 0.2 = 36"
TOTAL EXIT WIDTH PROVIDED = 4 x 32" = 128"
MAX TRAVEL DISTANCE ALLOWED = 200'

DATE	1/11/78
REVISION	
BY	
CHECKED	
APPROVED	

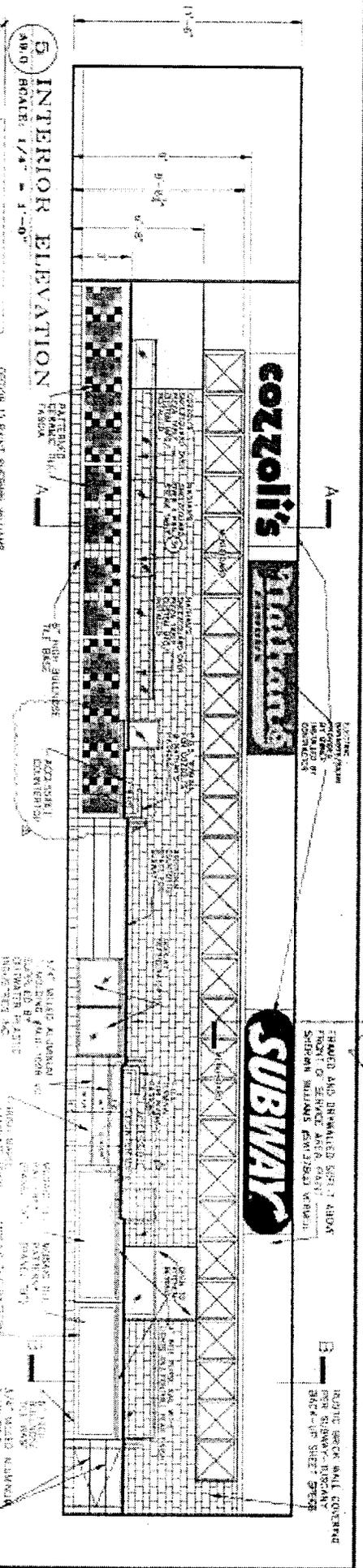
DR. MARTIN LUTHER KING JR. PLAZA
 MILK TRANSIT DEVELOPMENT PROJECT
 SUBWAY TENANT IMPROVEMENT PLAN
 2801 N.W. 25TH STREET MIAMI, FLORIDA

RONALD E. FRAZER & ASSOCIATES, P.A.
 ARCHITECTS
 1100 BROADWAY, SUITE 1200
 MIAMI, FLORIDA 33139
 PHONE: 375-1111
 FAX: 375-1112

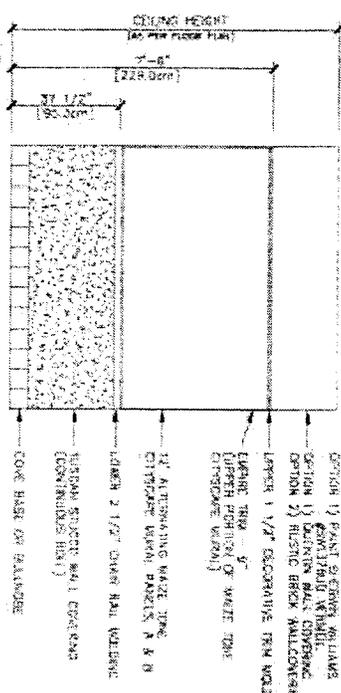
1ST FLOOR SITE PLAN & GARAGE PLANS	DATE	1/11/78
PROJECT NO.	100	
SCALE	AS SHOWN	
PROJECT	MILK TRANSIT DEVELOPMENT PROJECT	
DATE	1/11/78	
BY		
CHECKED		
APPROVED		



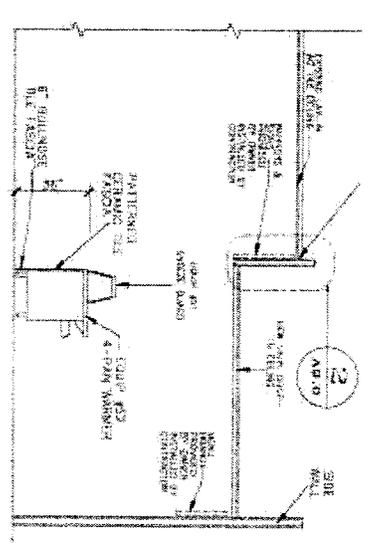
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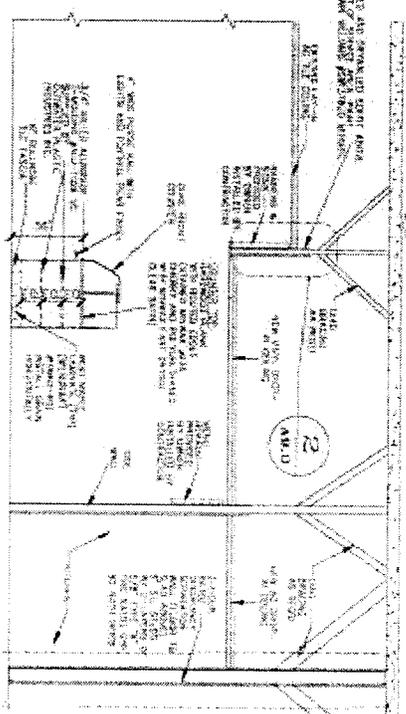
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A9.0 SCALE 1/4" = 1'-0"



7 INTERIOR ELEVATION
A9.0 SCALE 1/4" = 1'-0"

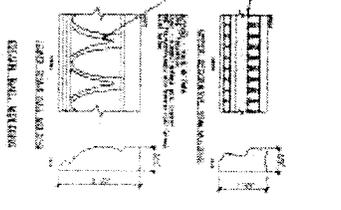


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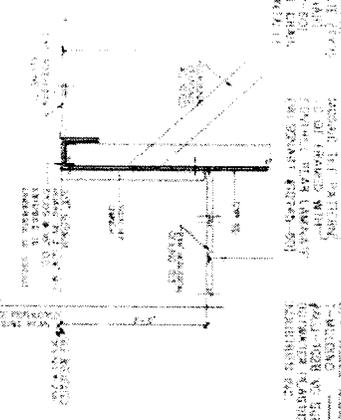


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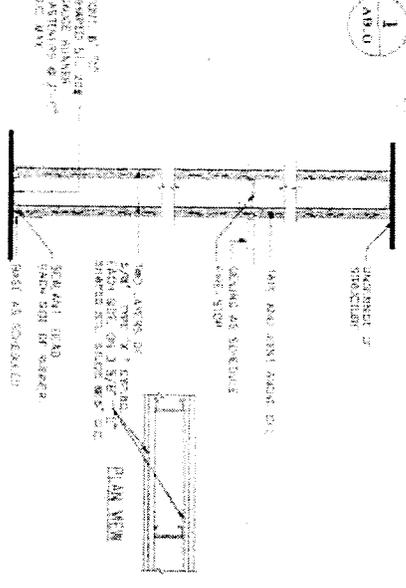
6 INTERIOR DETAIL
A9.0 INTS



2 INTERIOR SOFFIT DETAIL
A9.0 SCALE 1/2" = 1'-0"



1 2-HOUR WALL DETAIL
A9.0 INTS

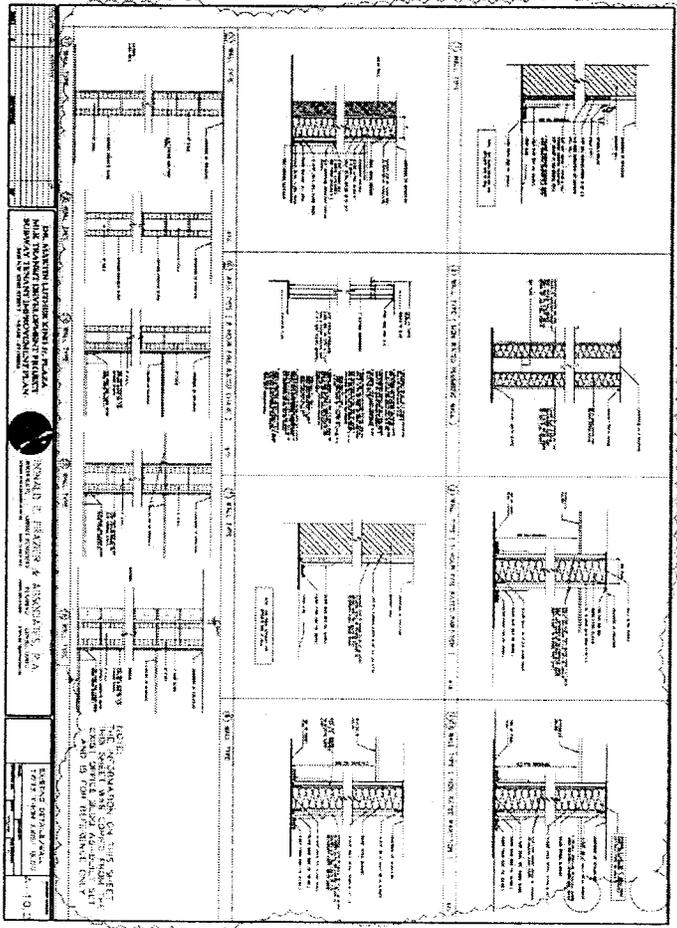


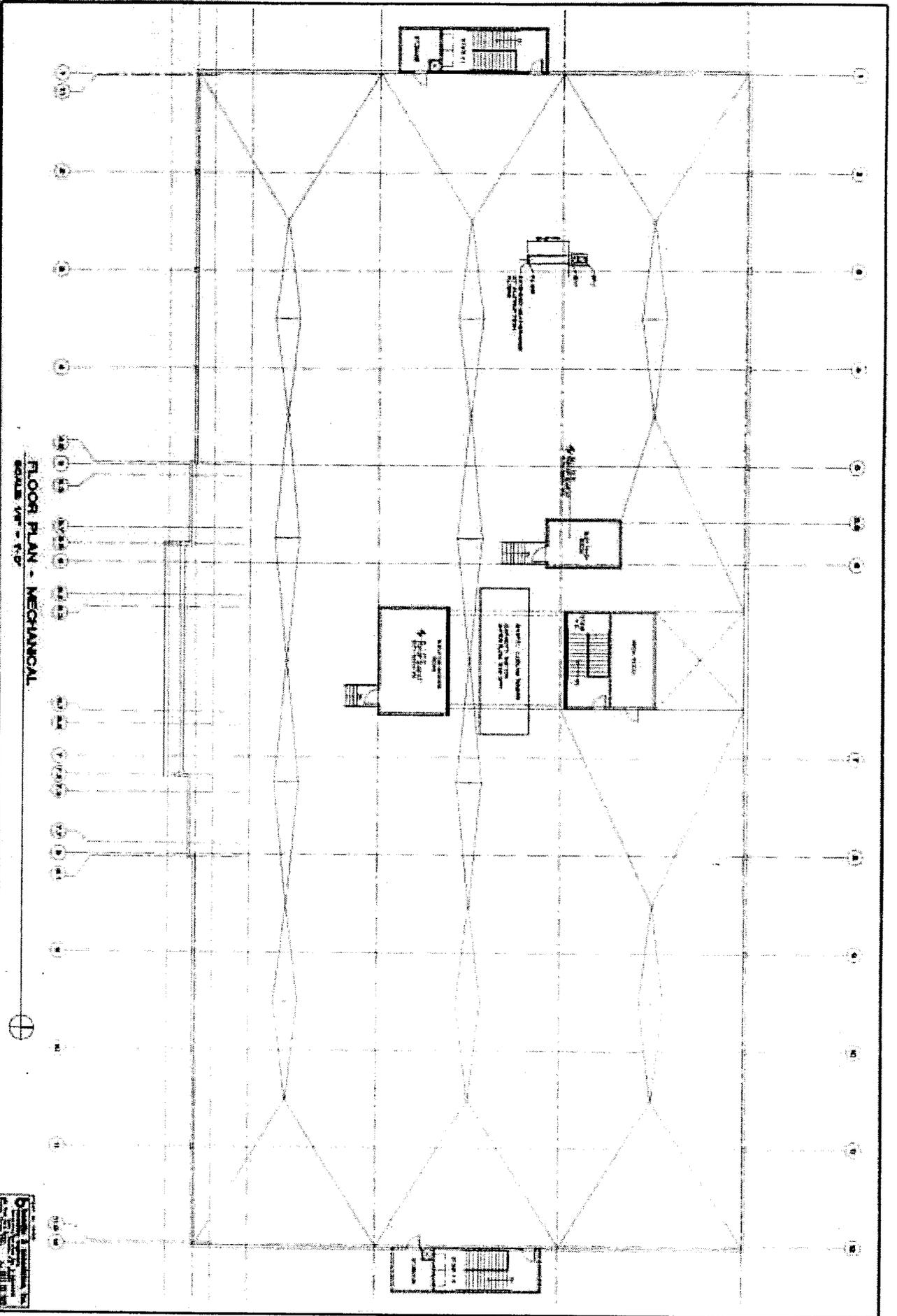
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100	REVISED PER COMMENTS	7/5/03

DR. MARTIN LUTHER KING JR. PLAZA
MILK TRANSIT DEVELOPMENT PROJECT
SUBWAY TENANT IMPROVEMENT PLAN
1000 N.W. 42ND STREET, MIAMI, FLORIDA

RONALD E. FRAZER & ASSOCIATES, P.A.
ARCHITECTS
1000 N.W. 42ND STREET, MIAMI, FLORIDA 33142
TEL: (305) 571-1111
FAX: (305) 571-1112
WWW.RFASOCIATES.COM

SILVARD FLOID CHRISTNER
INTERIOR ELEVATIONS
A9.0





FLOOR PLAN - MECHANICAL
SCALE: 1/8" = 1'-0"

DATE	10/15/2010
PROJECT	MILK TRANSIT DEVELOPMENT PROJECT
NO.	800
REV.	

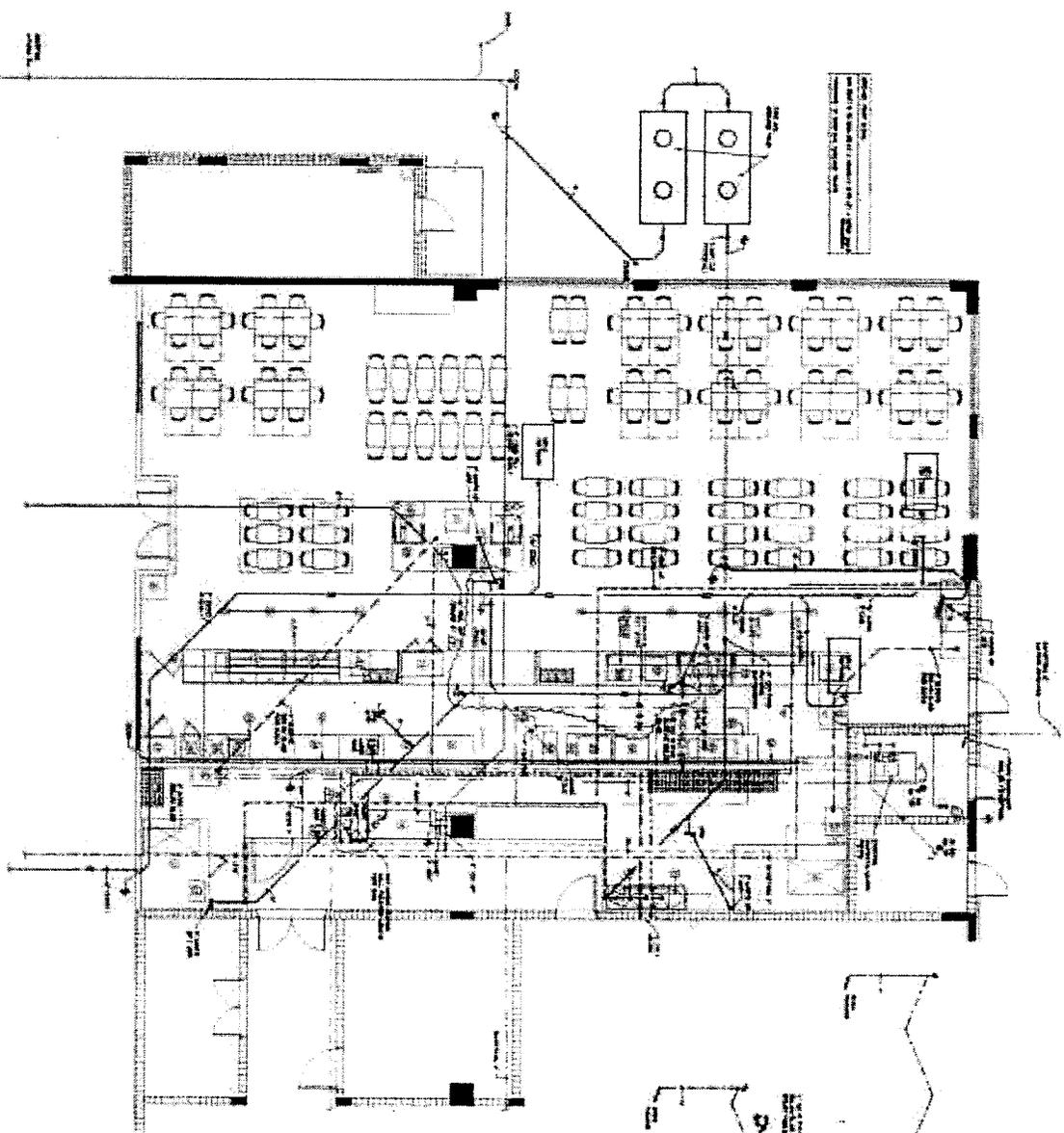
DR. MARTIN LUTHER KING JR. PLAZA
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SUBWAY TENANT IMPROVEMENT PLAN
300 N W 10TH STREET MIAMI, FL 33136



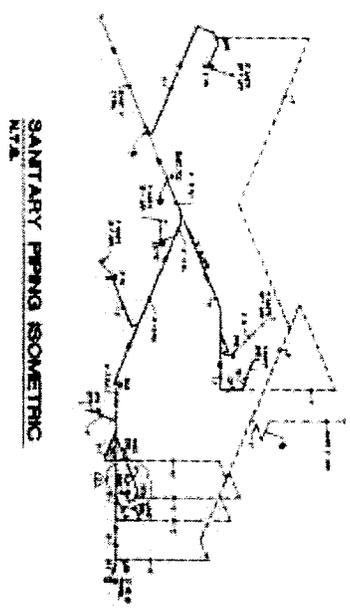
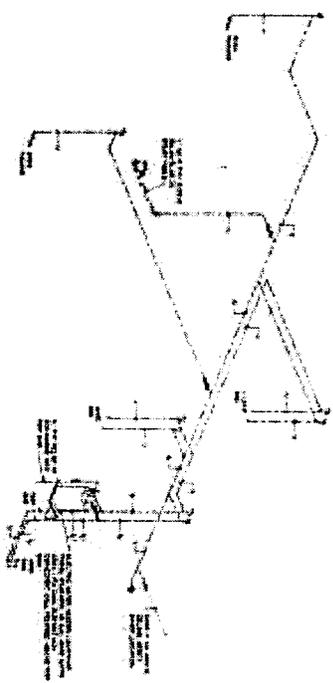
RONALD E. FRAZIER & ASSOCIATES, P.A.
ARCHITECTS, INTERIORS, PLUMBING, MECHANICAL
1000 BROADWAY, SUITE 2000, MIAMI, FL 33139
TEL: 305.375.1100 FAX: 305.375.1101

NO.	800
REV.	

800th MECHANICAL
M3.0



FLOOR PLAN - PLUMBING
SCALE: 1/8" = 1'-0"



NO.	DATE	REVISION

DR. MARTIN LUTHER KING JR. PLAZA
MILK TRANSIT DEVELOPMENT PROJECT
SUBWAY TENANT IMPROVEMENT PLAN
300 W. 42ND STREET, SUITE 1000, NEW YORK, N.Y. 10018



RONALD E. FRAZIER & ASSOCIATES, P.A.
ARCHITECTS • ENGINEERS • PLANNING CONSULTANTS
100 W. 42ND STREET, SUITE 1000, NEW YORK, N.Y. 10018
TEL: (212) 692-1234

GROUND FLOOR PLAN
PLUMBING
DATE: 10/15/88
SCALE: 1/8" = 1'-0"
P.1.0

EXHIBIT - B

BAC MLK Subway Food Court - Leashold Improvements & Equipment

Subway Equipment/Coolers/Bakery Oven, Tables and Chairs, etc.	91,565.00
Sneeze Guards	2,200.00
Leather Sofas	2,330.00
2 Panasonic 42" Plasma TV's	5,804.75
Three (3) 10-ton water source heat pump package units 13.5 S. E. E. R. [A/C System]	62,300.00
Two (2) Hoods and Fire Suppression System	24,500.00
Monitor Module for Hood	4,860.00
Serving Hot Food Steam Table, Electric Range, Rotisserie Oven	8,976.65
Tile & Floor Work	29,857.00
Switch Gears, Wiring, Piping, Light Fixtures, Outlet Installations, etc. (Electrical)	48,239.00
Plumbing, Grease Traps (external & internal), Water Heaters, Ice Makers	61,900.60
Fire Partition Wall	5,200.00
Sprinkler System, Cooler System, Mechanical	17,500.00
Awnings - (In Process)	7,750.00
Food Court Inline Neon Signage	1,525.00
Menu Boards	1,120.00
Countertop & Cabinets (Carpentry Work)	3,500.00
Total	379,128.00

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Exhibit "C"

Sub Lease for Restaurant Retail Space

LEASE BETWEEN

BAC FUNDING CORPORATION

AS LANDLORD,

AND

SUBWAY REAL ESTATE CORP.,

AS TENANT

LOCATION:

**MLK Building
2600 N.W. 64th St.
Miami, Florida 33147**

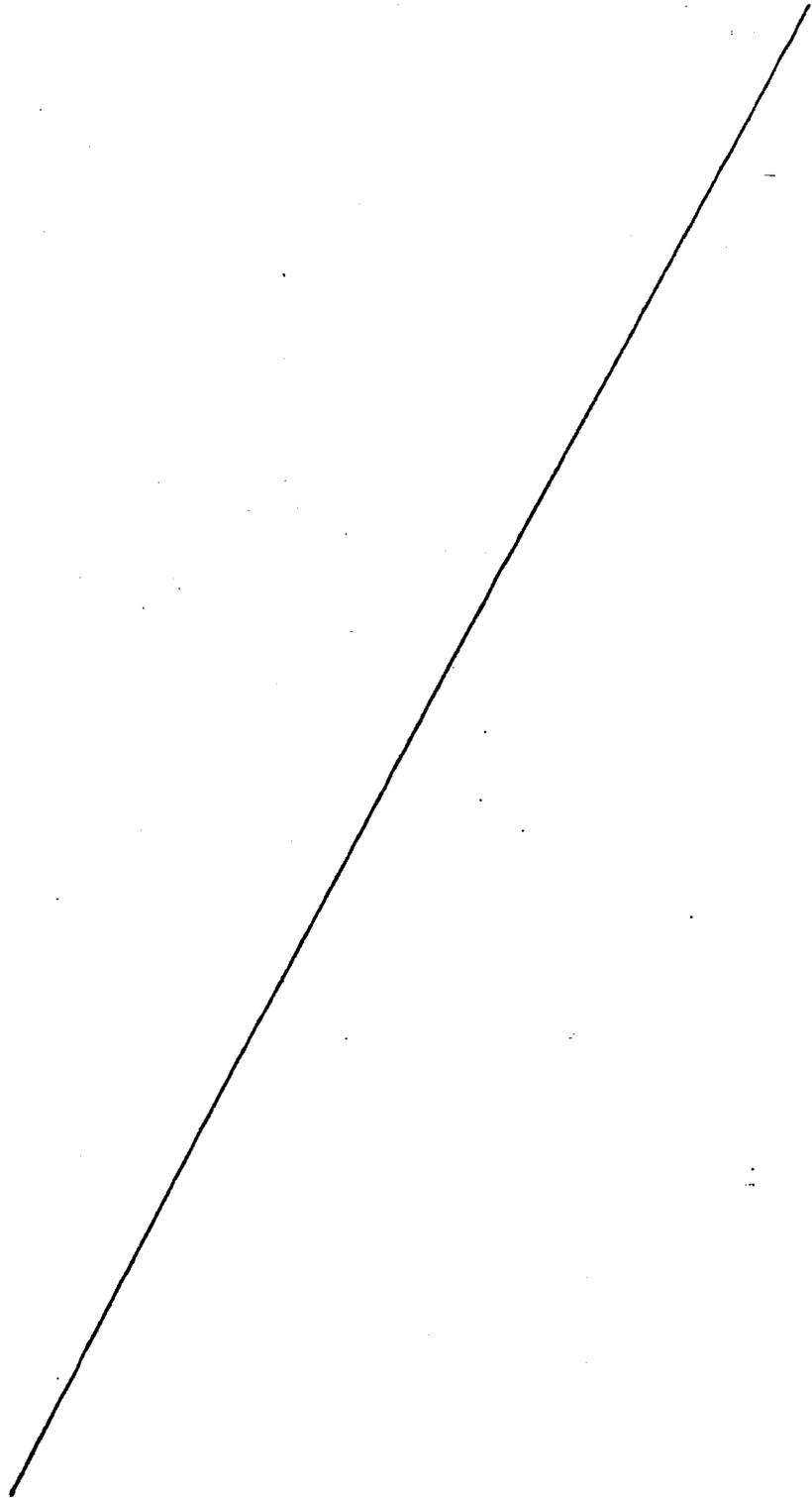
DATED: 11/19/03

66

INDEX

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 - 2 Term
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 - 4 Rent
 - 5 Use of Premises
 - 6 Utilities
 - 7 Repairs & Maintenance
 - 8 Hazardous Substances
 - 9 Glass
 - 10 Surrender of Premises
 - 11 Damage or Destruction of Premises
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 - 13 Fire Insurance
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 - 44 Attornment
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Exhibit B Memorandum of Lease
~~Exhibit C Landlord's Work~~ **NOT ATTACHED**
Exhibit D Rules and Regulations



68

LEASE

This lease (hereinafter "Lease") made and entered into this ~~19th~~ ^{19th} day of ~~October~~ ^{NOVEMBER}, 2003, by and between BAC FUNDING CORPORATION, hereinafter referred to as "Landlord," and SUBWAY REAL ESTATE CORP., a corporation, organized under the laws of Delaware and having its usual place of business at 325 Bic Drive, Milford, Connecticut 06460-3059, hereinafter referred to as "Tenant." In consideration of the mutual covenants herein contained, the parties agree as follows:

Definitions

The following terms when used hereinafter shall be defined as follows:

Building

"Building" means that certain office building located at 2600 N.W. 64th Street, Miami, Florida.

Common Areas

"Common Areas" means, all lobbies, entrances, stairs, corridors, elevators and other public portions of the Building.

Premises

"Premises" means that certain space, consisting of approximately 1,900 square feet, shown on the floor plan attached hereto as Exhibit "A" and made a part hereof and situated on the first (1st) floor of the Building, with no easement for light, air or view included in the Premises. The Premises shall include the appurtenant right to the use, in common with others, the Common Areas. All the windows and outside wall of the Premises and any space in the Premises used for shafts, pipes, conduits, ducts, electric or other utilities, sinks or other Building facilities, and the use thereof and access thereto through the Premises for the purposes of operation, maintenance and repairs, are reserved to Landlord.

Additional Rent

"Additional Rent" means all charges and other sums of money required to be paid by Tenant under this Lease, other than Gross Lease Rent.

Rent

"Rent" shall collectively mean all Gross Lease Rent and Additional Rent.

SECTION ONE DESCRIPTION OF PREMISES

Landlord leases to Tenant and Tenant leases from Landlord the Premises located at the Building.

SECTION TWO TERM

The term of this Lease is one (5) year beginning upon the date (the "Commencement Date") which is the earlier to occur of (i) thirty (30) days after substantial completion of Landlord's work, as certified by Landlord's construction coordinator; or (ii) the date Tenant opens for business with the public.

Landlord and Tenant agree to execute Exhibit "B" within ten (10) days after its receipt of written notice from the other party. A party's failure to respond/execute Exhibit B within the ten (10) days shall be construed as said parties acknowledgement of and agreement to same. Each party and any other person or entity may rely on the information contained therein.

The parties herein agree that upon completion of Landlord's work and subject to the execution of this Lease, Tenant shall be entitled to the use and possession of the Premises for the purposes of installing its trade fixtures, counters and the like: provided, further, however, that such use and possession of the Premises shall be subject to all terms and conditions of this Lease other than the obligation of Tenant to pay Gross Lease Rent.

If Landlord's work is not certified as substantially complete by Landlord's construction supervisor within three (3) months of the final execution of this Lease, then, provided the failure to achieve substantial completion is not attributable to any acts or omissions of Tenant. Tenant shall have the option of terminating this Lease by giving Landlord written notice. In the event Tenant chooses to terminate this Lease, Landlord agrees to execute documents related thereto and to promptly return any and all monies theretofor paid by Tenant as Rent.

SECTION THREE QUIET ENJOYMENT

Landlord covenants, warrants and represents that as of the Commencement Date, (i) Landlord has/shall have the full right and power to execute and perform this Lease, and to grant the estate demised herein; (ii) Tenant, upon the payment of Rent and performance of the covenants and agreements hereof, shall peaceably and quietly have, hold and enjoy the Premises during the term of this Lease.

In the event Landlord transfers its interest in the Building, it is understood that the transferee shall assume the responsibilities of "Landlord" for the remainder of the term of this Lease.

SECTION FOUR RENT

The rent (the "Gross Lease Rent") for the Premises shall be \$30,000 per year for the first two (2) years of the Term. Commencing on the second anniversary of the Commencement Date and thereafter, on

each anniversary of the Commencement Date, Gross Lease Rent shall increase by 3% over the Gross Lease Rent theretofor paid. Commencing on the Commencement Date and continuing on the first day of each and every calendar month thereafter during the Term, Tenant shall pay to Landlord the Gross Lease Rent for the Premises in advance and without notice, in equal monthly installments, each such installment initially equaling \$2,500.00 The Gross Lease Rent for any fractional month shall be prorated on a per diem basis. All Rent shall be paid to Landlord, without deduction or offset, in lawful money of the United States of America at the offices of Landlord or its Building manager located in the Building, or to such other person or at such other place as Landlord may from time to time designate in writing. Nothing contained herein shall require Landlord to accept any tender of payment from Tenant for less than the Rent then due under this Lease, including any and all late charges, interest and attorney's fees that may then be due from Tenant in accordance with the express terms of this Lease. Landlord may elect to accept less than the full Rent then due from Tenant hereunder; however, no payment by Tenant or receipt by Landlord of such lesser amount shall be deemed to be other than payment on account, and no restrictive endorsement or statement on any check or payment shall be deemed to alter the express provisions of this Lease, nor constitute an accord and satisfaction. Landlord may accept less than the full amount of Rent then due from Tenant without prejudice to Landlord's right to recover the balance of the full amount then due, or to pursue any other remedies then available to Landlord under this Lease or applicable law. In all events, including but not limited to Landlord's acceptance of a partial payment from Tenant, any payment accepted by Landlord from Tenant shall be applied first to retire the oldest receivables due from Tenant hereunder, then to any current Rent or other payment then due hereunder, and the balance, if any, will be applied to any Rent or other payment which will become due from Tenant hereunder.

Gross Lease Rent has been calculated without regard to square footage of the Premises and shall not be adjusted upward or downward as a result of any calculations of actual or usable square footage.

If at any time during the Term, less than seventy-five (75%) of the actual tenantable space in the Building is has been leased to tenants, the Tenant shall have the option upon five (5) days written notice to Landlord to cancel this Lease, in which event Landlord shall promptly return to Tenant the security deposit and any other sums which may be due to Tenant upon the natural expiration of this Lease.

SECTION FIVE USE OF PREMISES

Tenant shall use the Premises as a restaurant for on and off premises consumption of sub sandwiches, salads, drinks, breakfasts and any other items sold in a majority of Tenant's other shops and for no other purpose.

SECTION SIX UTILITIES

Landlord shall furnish water, electricity, and gas service to the Premises twenty-four (24) hours a day, seven (7) days a week. Notwithstanding the foregoing, except for the gross negligence or willful misconduct of Landlord, Landlord shall not be liable for any damages directly or indirectly, and Tenant shall have no right of set-off or reduction in Rent, resulting from the installation, use, malfunction, or interruption of use of any equipment in connection with the furnishing of services referred to herein, including, but not limited to, any interruption in services by any cause beyond the immediate, reasonable control of the Landlord; provided however, Landlord shall exercise due care in furnishing adequate and uninterrupted services. Notwithstanding the foregoing provisions of this Section 6, in the event a service which Landlord is

obligated to provide in the Premises is not provided for a period of three (3) consecutive business days as a result of some factor within Landlord's reasonable control and, as a result of the failure to provide such service. Tenant is not able to reasonably operate its business in the Premises and does not operate its business in the Premises during such three (3) consecutive business day period, and provided Tenant has promptly notified Landlord of such service not being provided, then Tenant shall be entitled to abate its Rent for the period commencing at the end of such third (3rd) consecutive business day until such service as described above is resumed.

SECTION SEVEN REPAIRS AND MAINTENANCE

Landlord shall maintain and repair the Common Areas, the foundations, roofs, exterior walls, and the structural portions of the Building, exclusive of the Premises, and other tenant spaces occupied by or under the control of other tenants, provided that Tenant shall be responsible for any damages to the Building and Common Areas caused by any act or omission of Tenant, its agents, employees or visitors. Landlord shall have no duty to Tenant to make any repairs or improvements to the Premises and Tenant shall be solely responsible therefor, except structural repairs necessary for safety and tenantability not brought about by any act, omission or neglect of Tenant, its agents, employees or visitors. Tenant shall, at its sole expense, keep the Premises in good repair and tenantable condition. If Tenant fails to keep the Premises in good repair and tenantable condition, then upon not less than ten (10) days prior written notice and opportunity to cure, Landlord can make such repairs as it deems necessary to put the Premises in good and tenantable condition and Tenant shall be liable to promptly reimburse Landlord for the reasonable cost of such repairs as Additional Rent hereunder.

SECTION EIGHT HAZARDOUS SUBSTANCES

Landlord warrants and represents that, to the best of its actual knowledge, any use, storage, treatment or transportation of Hazardous Substances which has occurred in, on, or under the Premises and the Building prior to the date of execution of this Lease has been in compliance with all applicable environmental laws. "Hazardous Substances" shall mean pollutants, contaminants, toxic or hazardous waste, or any other substances, the use and/or the removal of which is required or the use of which is restricted, prohibited or penalized by any environmental law. "Environmental Law" shall mean any applicable present and future federal, state or local law, ordinance or other statute of a governmental or quasi-governmental authority relating to pollution or protection of the environment, and any regulation or policy promulgated or issued thereunder. Landlord additionally warrants and represents that to the best of its actual knowledge, no release, leak, discharge, spill, disposal or emission of Hazardous Substances has occurred in, on or under the Premises or the Building, and that the Premises and the Building are in compliance with all applicable Environmental Laws.

Landlord hereby agrees, represents and warrants that (i) no activity will be conducted in the Building by Landlord and/or its agents, employees or contractors that will produce any Hazardous Substance, except for such activities that are a part of the ordinary course of Landlord's business activities (the "Permitted Activities") provided said Permitted Activities are conducted in accordance with all Environmental Laws; Landlord shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency; (ii) the Building will not be used by

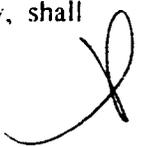
Landlord and/or its agents, employees or contractors in any manner for the storage of Hazardous Substances except for the temporary storage of such materials that are used in the ordinary course of Landlord's business (the "Permitted Materials") provided such Permitted Materials are properly stored in a manner and location meeting all Environmental Laws: (iii) no portion of the Building will be used as a landfill or a dump; (iv) Landlord will not install any underground tanks of any type in, on or under the Building; (v) Landlord will not knowingly permit any surface or subsurface conditions in the Building to exist or come into existence that violate Environmental Laws; (vi) Landlord will not knowingly permit any Hazardous Substances to be brought onto the Premises or the Building, except for the Permitted Materials described above, and if so brought or found located thereon, the same shall be immediately removed, with proper disposal, and all required cleanup procedures shall be diligently undertaken pursuant to all Environmental Laws; and (viii) to the best of Landlord's actual knowledge and belief, as of the date of this Lease: (a) Landlord has duly complied with and Landlord and the Building are presently in compliance with all Environmental Laws, and; (b) Landlord has received no written notice respecting any fact which might reasonably constitute a violation of any Environmental Law.

Unless the Hazardous Substances are present solely as a result of negligence, willful misconduct or other acts of Tenant, Tenant's agents, employees, contractors and subject to Tenant's obligations hereinafter set forth in this Section, Landlord agrees to indemnify, defend and hold harmless Tenant from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including any and all sums paid for settlement of claims, attorneys' fees, consultants' and experts' fees) arising during or after the term of this Lease from or in connection with the breach of the foregoing representations and warranties by Landlord. Without limitation of the foregoing, this indemnification includes all costs incurred due to any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision. This indemnification specifically includes all costs due to Hazardous Substances which flow, diffuse, migrate or percolate into, onto or under the Premises or the Building.

Tenant will not cause or permit any Hazardous Substance to be used, stored, generated or disposed of on or in the Premises by Tenant, Tenant's agents, employees, contractors or invitees, without obtaining Landlord's prior written consent, except for Hazardous Substances contained in products used by Tenant or such other persons in de minimis quantities for ordinary cleaning and office purposes provided such materials are properly stored in a manner and location meeting all Environmental Laws. If Tenant breaches the foregoing representation and warranty, or if Hazardous Substances are used, stored, generated or disposed of on or in the Premises or the Building by such persons or if the Premises or the Building become contaminated in any manner for which the Tenant is legally liable, Tenant agrees to indemnify, defend and hold harmless Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including a decrease in value of the Premises, damages due to loss or restriction of rentable or usable space, or any damages due to adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultants' and experts' fees) arising during or after the term of this Lease and arising as a result of such contamination by Tenant or such other persons. Without limitation of the foregoing, this indemnification includes all costs incurred due to any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision.

If Tenant causes or permits the presence of any Hazardous Substance in the Premises or the Building and such Hazardous Substances alone result in contamination, Tenant will promptly, at its sole expense, take all necessary actions to return the Premises or the Building to the condition existing prior to the contamination caused by the presence of any such Hazardous Substance on the Premises. Tenant must first obtain Landlord's approval and the approval of any necessary federal, state or local agencies for any such remedial action.

The foregoing indemnification and responsibilities of Landlord and Tenant, respectively, shall survive the termination or expiration of this Lease.



SECTION NINE OPERATING COVENANTS

Tenant covenants to continuously and uninterruptedly operate within the entire Premises the business it is permitted to conduct pursuant to Section 5 of this Lease, except any portion of the Premises while that portion is untenable because of fire or other casualty. Tenant agrees to conduct its business at all times in a first-class manner consistent with reputable business standards and practices, and to maintain within the Premises a stock of merchandise and trade fixtures adequate to service and supply the usual demands of its customers. Tenant shall keep the Premises in a neat, safe, clean and orderly condition.

Tenant shall operate its business between the Monday through Friday from 6:30 a.m. to 7:30 p.m., except on such days as the Building is closed for observance of holidays.

SECTION TEN SURRENDER OF PREMISES

If Tenant shall fail to remove all effects from the Premises upon termination of this Lease for any cause whatsoever, Landlord may remove, sell, store or otherwise dispose of the same, without liability to Tenant for loss thereof, and Tenant agrees to pay Landlord on demand any and all expenses incurred by Landlord thereby.

Before the termination of this Lease, Tenant shall remove from the Premises all its trade fixtures and personal property and surrender such Premises and the keys thereto to Landlord (whether or not in default hereunder) in the same condition as at the beginning of this Lease, normal wear and tear and event of casualty only excepted; provided, however, that if such removal would damage the Premises or if Tenant was in default at the time of termination of the Lease, Tenant shall have no right to remove any same and same shall be deemed abandoned by Tenant and the property of Landlord without compensation to Tenant. Further, any trade fixtures or personal property which may be, but is not, removed by Tenant pursuant to this Section shall be deemed abandoned and shall, thereupon, become the property of Landlord without compensation to Tenant. Tenant's trade fixtures and all of Tenant's equipment shall not be considered fixtures, and shall remain the property of Tenant. As such, they may be removed by Tenant at any time, subject to the foregoing paragraph.

SECTION ELEVEN DAMAGE OR DESTRUCTION OF PREMISES

If the Premises or the Building should be damaged by storm, fire, earthquake or other casualty to the extent that: (i) in the reasonable opinion of Landlord's architect, the repair or rebuilding of the Building or the Premises cannot be completed within one hundred eighty (180) days after the date of such damage, or

(ii) if the insurance proceeds remaining after any required payments to any mortgagees of Landlord are insufficient to repair such damage or destruction; or (iii) in Landlord's commercially reasonable opinion repair or rebuilding of the Premises or the Building would not be economically feasible, Landlord shall have the right, at Landlord's option, to terminate this Lease by giving Tenant written notice of such termination within ninety (90) days after the date of such casualty, and the Rent shall be apportioned and paid to the date on which possession is relinquished or the date of the casualty, whichever is later, and Tenant shall immediately vacate the Premises according to the notice of termination. Tenant covenants and agrees to cooperate, at no cost or expense to Tenant, with Landlord and lessor or mortgagee of Landlord in their efforts to collect insurance proceeds (including rent insurance proceeds) payable to such parties. Landlord shall not be liable for any delay which may arise by reason of any adjustment of insurance on the part of Landlord or Tenant, or any cause beyond the reasonable control of Landlord and/or its contractors. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting from any fire or other casualty or the repair thereof.

If this Lease is not terminated pursuant to the provisions of Section above, Landlord shall at its sole cost and expense thereupon proceed with reasonable diligence to rebuild and repair the damage to the Building and/or the Premises to substantially the condition in which it existed prior to such damage, except that (i) Landlord shall not be required to repair any injury or damage or to make any repairs or replacements of any improvements installed in the Premises by or for Tenant, other than Landlord's work under Exhibit C, and Tenant shall, at Tenant's sole cost and expense, repair and restore its portion of such improvements, and (ii) Landlord may elect not to rebuild if such damage occurs during the last year of the Term, unless Tenant has previously exercised any option to renew the Term of the Lease. If the Premises are untenable in whole or in part as a result of such casualty, the Rent payable under this Lease during the period in which the Premises are untenable shall be reduced in proportion to the portion of the Premises rendered untenable until such time as restoration of the same is complete. In the event Landlord shall fail to complete such repairs and rebuilding within one hundred eighty (180) days after the date of such damage, Tenant may, at its option, terminate this Lease by delivering written notice to Landlord prior to the earlier of: (x) thirty (30) days after the expiration of such one hundred eighty (180) day period, and (y) the date Landlord substantially completes such repairs or rebuilding and the Premises are rendered tenable. Such termination of the Lease shall be Tenant's exclusive remedy. If Tenant fails to terminate the Lease within the time period set forth above, Tenant shall be deemed to have waived its rights to terminate by reason of the failure of Landlord to complete such repairs and rebuilding within one hundred eighty (180) days after the date of such damage.

SECTION TWELVE NON-LIABILITY OF LANDLORD FOR DAMAGES

Landlord shall not be responsible for liability or damage claims for injury to persons or property for claims of any type that it may incur in connection with the operation of Tenant's business or use or occupancy of the Premises by Tenant, its agents, servants, or employees, or any other person entering upon the Premises under express or implied invitation or consent of Tenant, unless caused by the negligence of Landlord or its agents, servants, or employees. Except when caused by the negligence of the Landlord, his agents, servants, or employees, Tenant shall indemnify Landlord from all liability, loss or other damage, or claims for obligations resulting from any injuries or losses of this nature, including reasonable attorneys' fees and court costs incurred by Landlord in defending or settling any such claims. Landlord shall indemnify Tenant for any loss occurring in the Common Areas, unless caused by the negligence of Tenant, its agents, servants, or employees or any other person entering the Building or Common Areas under express or implied invitation or consent of Tenant.



**SECTION THIRTEEN
FIRE INSURANCE**

Tenant is responsible for its own insurance to cover its own contents located in the Premises, and all of the personal property and equipment included in the Premises. Landlord shall not be liable for any damage to the property or person of any of the Tenant's officers, employees, agents, invitees or guests from perils customarily covered by fire and extended coverage insurance, liability insurance or acts of God. It is agreed that Landlord shall be responsible for fire and extended coverage for the Premises by a responsible insurance company authorized to do extended coverage insurance in the state in which the Building is located. Tenant shall maintain fire insurance and extended coverage on the interior of the Premises in an amount which is adequate to cover the cost of equipment and trade fixtures. Anything in this Lease to the contrary notwithstanding, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss or damage that may occur to the Premises or any improvements thereto, or any personal property of Landlord or Tenant, arising from any cause that (a) would be insured against from any cause that (a) would be insured against under the terms of any property insurance required to be carried hereunder, or (b) is insured against under the terms of any property insurance actually carried, regardless of whether it is required hereunder. The foregoing waiver shall apply regardless of the cause or origin of the claim, including but not limited to the negligence of a party or that party's agents, officers, employees or contractors. The foregoing waiver shall not apply if it would have the effect, but only to the extent of such effect, of invalidating any insurance coverage of Landlord or Tenant.

**SECTION FOURTEEN
LIABILITY INSURANCE**

Tenant shall procure and maintain in full force, at its expense, during the term of this Lease, and any extension thereof, public liability insurance which shall be adequate to protect against liability for damage claims through public use of or arising out of any accident occurring in or around the Premises, in a minimum amount of two million dollars (\$2,000,000.00).

All insurance policies procured and maintained by Tenant pursuant to this Section or Section Thirteen shall be carried with companies reasonably satisfactory to Landlord licensed in the State of Florida; (ii) shall be non-cancelable, except after thirty (30) days' written notice to Landlord; and (iii) copies of executed policies of insurance and/or endorsements, or certificates of such policies in form and substance reasonably acceptable to Landlord, with respect thereto shall be delivered to Landlord prior to the earlier to occur of the Commencement Date or the date Tenant first uses or occupies the Premises, and renewals thereof as required shall be delivered to Landlord at least thirty (30) days prior to the expiration of each respective policy term.

Tenant shall procure from sublessee a Certificate of Insurance with reference to the foregoing insurance requirements of this Section and Section 13. Sublessee is the entity that has executed a sublease with the Tenant. Subtenant has agreed in said sublease to perform all of the obligations of the Master Lease including but not limited to supplying the Master Landlord with a Certificate of Insurance.

**SECTION FIFTEEN
ASSIGNMENT, SUBLEASE, OR LICENSE**

In the event Tenant's failure to perform any of the terms or conditions of this Lease continues for thirty (30) days after Tenant's receipt of written notice thereof, Landlord shall declare the rights of Tenant under this Lease terminated, and thereafter, recover possession of said Premises through appropriate legal process, including, if available, summary dispossess proceedings.

Further, in the event, Tenant shall become insolvent or transfer property in fraud of creditors; Tenant shall make an assignment for benefit of creditors; a receiver is appointed for any of Tenant's assets; or any petition is filed by or against Tenant under any section or chapter of the National or Federal Bankruptcy Act or any other applicable federal or state bankruptcy, insolvency or other similar act, and, in the case of a petition filed against Tenant, such petition is not dismissed within sixty (60) days after the date of such filing, Landlord may declare this Lease terminated and thereafter, recover possession of said Premises through appropriate legal process, including, if available, summary dispossess proceedings.

In the event of termination of this Lease as set forth above in this Article by Landlord, subject to the last paragraph of this Article, Landlord acknowledges an affirmative duty to mitigate Tenant's damages and shall in no event seek to accelerate Rent.

In the event of termination by Landlord in accordance with the foregoing, Tenant shall be obligated to Landlord for any loss of Rent and Tenant covenants and agrees to pay all court costs, reasonable attorneys' fees and other expenses which may reasonably be incurred by Landlord, in any court proceedings, either in law or in equity, arising out of said default or breach of covenant by Tenant.

Additionally, Tenant may, at Tenant's option, terminate this Lease at any time subject to Tenant making payment to Landlord of the liquidated damages discussed below in this Article. If Tenant elects to exercise this option, it shall give Landlord at least thirty (30) days written notice thereof, which notice shall designate the date of termination and, subject to Tenant making payment to Landlord of the liquidated damages discussed below in this Article, the term hereof shall expire on such date.

For good and valuable consideration, in the event of ~~termination of this Lease~~ ^{A DEFAULT} by ~~Landlord or~~ Tenant pursuant to the foregoing provisions of this Article, Landlord and Tenant agree that ~~in addition to all Rent and other amounts previously due and unpaid under the terms and conditions of the Lease, Landlord shall be entitled to collect as liquidated damages and not as a penalty, an amount equal to the lesser of (A) the remaining Gross Lease due for the Term, or (B) twelve (12) months Gross Lease Rent. The parties agree that the damages caused by Tenant's default would be difficult or impossible to accurately estimate and that this measure of damages is a reasonable pre-estimate of the Landlord's probable loss resulting from Tenant's breach or early termination of the Lease.~~ **TENANT'S LIABILITY UPON DEFAULT SHALL NOT EXCEED THE LESSER OF TWELVE (12) MONTHS GROSS LEASE RENT OR \$40,000.00 OR THE REMAINING GROSS LEASE DUE FOR THE TERM.**

SECTION TWENTY-FOUR
Intentionally Deleted.

SECTION TWENTY-FIVE
Intentionally Deleted.

SECTION TWENTY-SIX

sufferance equaling one hundred twenty-five (125%) of the Gross Lease Rent payable immediately prior to the commencement of such holdover. This provision does not give Tenant any right to hold over. All other terms and conditions of this Lease shall remain in full force during any tenancy at sufferance.

SECTION TWENTY-TWO NOTICES

Any notice which is to be given to Landlord or Tenant shall be deemed sufficiently given if sent by Certified or Registered Mail, postage prepaid, addressed as follows:

Tenant: (1) Subway Real Estate Corp.
325 Bic Drive, Milford, CT 06460-3059.

(2) With a necessary copy to:

Subway Development of S.E. Florida
15291 N.W. 60th Ave Suite 100
Miami Lakes, Florida 33014

(3) Subway franchisee at the Premises.

Landlord's address for notice is: BAC Funding Corporation
6600 NW 27th Avenue
Miami, Florida 33147

Landlord's Tax I.D. Number (If Corporation) or Social Security Number (If Individual) is:
592196535

The customary receipt shall be conclusive evidence of service, and notices shall be effective as of the date received. Landlord agrees to accept Rent at the above-referenced address.

Any change in the entity to whom Rent is due must be authorized in writing by the named landlord, its mortgagor, or by court order. Absent such acceptable authorization, Tenant shall not be in default of this Lease if it continues to pay Rent as specified herein.

SECTION TWENTY-THREE TENANT DEFAULT

In consideration for having a SUBWAY® sandwich shop in this location, Landlord has had the opportunity to review and has agreed to the following provisions:

Tenant shall satisfy, discharge or bond of record within twenty (20) days following Tenant's receipt of notice of the filing thereof any mechanic's lien filed against the Premises or Building for work or materials claimed to have been furnished to Tenant.

SECTION EIGHTEEN SIGNS

Landlord hereby gives its consent to Tenant to furnish and decorate the Premises in accordance with standard SUBWAY® décor; provided, however, any signage, awnings, facades which will be visible from the exterior of the Building and/or attached thereto shall be subject to the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed provided same comports with Tenant's standard signage, including standard SUBWAY® neon tubing and window advertising including but not limited to neon "open" signs and static cling(s).

The phrase "standard SUBWAY® signs" shall be deemed to include pole signs and awnings. Tenant's signs shall measure at least 36" high and extend the length of the fascia.

However, Tenant agrees that signs placed on the Premises shall conform to local codes and ordinances and shall be cosmetically in align with the remainder of the Building.

SECTION NINETEEN PARKING

(Intentionally Deleted)

SECTION TWENTY CONDEMNATION

If the whole or any part of the Premises shall be taken by any lawful authority under the power of eminent domain, then this Lease and the term demised, shall thereupon terminate and Tenant shall be liable for Rent only up to the date of such termination.

In the event of the condemnation of the Premises, Tenant is entitled to the full value of its property interest and business conducted on the property including but not limited to the loss, if any, sustained by Tenant as a result of the termination of this Lease for loss of business, fixtures, goodwill, moving expenses and attorneys' fees and costs, to the fullest extent permitted by law.

SECTION TWENTY-ONE HOLDING OVER

The failure of Tenant to surrender the Premises upon the termination of the original lease term or extension, and subsequent holding over by Tenant, without consent of the Landlord shall result in the creation of a tenancy at sufferance, with the Gross Lease Rent payable for the period of such tenancy at

Tenant shall not assign this Lease or sublease the Premises, or any right or privilege connected therewith, or allow any other person, except agents, employees, and customers of the Tenant, to occupy the Premises or any part thereof, without first obtaining the written consent of Landlord. A consent by Landlord shall not be a consent for a subsequent assignment, sublease or occupation by other persons. An unauthorized assignment, sublease, or license to occupy by Tenant, shall be void and this Lease shall terminate at the option of the Landlord. The interest of Tenant in this Lease is not assignable by operation of law, without the written consent of Landlord.

Notwithstanding the above paragraph, Tenant may assign this Lease or sublet the Premises to any bona-fide licensee/franchisee of Doctor's Associates Inc., doing business as a SUBWAY® sandwich shop without the prior consent of or written notice to the Landlord. Landlord agrees to accept rent from Tenant, its assignee, or sublessee.

Landlord and Tenant agree that this Lease is contingent upon Tenant receiving an executed sublease from an authorized SUBWAY® licensee/franchisee of Doctor's Associates Inc within thirty (30) days after the date of this Lease. In the event no sublease is executed within the time, Tenant may, at Tenant's option void this Lease upon written notice to Landlord. Said option must be exercised, if at all, within forty five (45) days of the date of this Lease. The failure to exercise such option within said forty five (45) day period shall constitute a waiver by Tenant of such option right.

No assignment or subletting shall relieve Tenant from primary liability for any covenants or obligations of Tenant under this Lease, and Tenant shall remain fully liable hereunder after any assignment or subletting.

SECTION SIXTEEN IMPROVEMENTS OR ADDITIONS BY TENANT

During the term of this Lease, Tenant shall have the right and privilege of, improving, remodeling or altering the interior of the Premises, without the prior consent of Landlord, in accordance with the standard SUBWAY® decor, including installation of additional partitions; provided, however, (i) Tenant shall be responsible for ensuring that any such improvement, remodeling or alterations comply with all codes, ordinances, and laws in effect at the time performed and thereafter (including but not limited to the Americans with Disabilities Act, (ii) the consent of the Landlord shall be required in all other instances, and (iii) in any event, no improvements, remodeling or alterations affecting the structural portion of the Premises or Building, utility lines serving same or pertaining to any entrances to or exits from the Premises shall be made by Tenant without the written consent of Landlord.

If Tenant or its authorized assignee/sublessee is unable to obtain permits from all applicable governmental authorities to construct its improvements in accordance with the standard SUBWAY® decor at the Premises thirty (30) days after this Lease is fully executed by Landlord and Tenant then Tenant may, at its option, terminate this Lease. Said option must be exercised, if at all, within forty five (45) days of the date of this Lease. The failure to exercise such option within said forty five (45) day period shall constitute a waiver by Tenant of such option right.

SECTION SEVENTEEN RESTRICTIONS AGAINST MECHANIC'S LIENS

TAXES AND ASSESSMENTS

Landlord agrees to pay all general real estate taxes and special assessments assessed to the Premises and the Building, during the term of this Lease, or any lease extension. Such taxes shall be paid before they are delinquent and become charged against the Premises therein. Anything contained herein to the contrary notwithstanding, in addition to the Gross Lease Rent and Additional Rent and all other charges to be paid by Tenant hereunder, Tenant shall pay to Landlord, upon demand as Additional Rent hereunder, any and all taxes payable by Landlord (other than net income taxes) whether or not now customary or within the contemplation of the parties hereto: (i) upon, measured by or reasonably attributable to the cost or value of Tenant's equipment, furniture, fixtures, improvements (whether constructed by Landlord or Tenant) and other personal property located in the Premises or by the cost or value of any leasehold improvement made in or to the Premises by or for Tenant, other than Landlord's work, regardless of whether title to such improvement shall be in Landlord or Tenant; (ii) upon, measured by or reasonably attributable to the Rent payable hereunder, or any component thereof, including, without limitation, any gross income tax or excise tax levied the City or County in which the Building is located, the State of Florida, the Federal Government or any other federal, state, county, municipal or other governmental body with respect to the receipt of such Rent; (iii) upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; and (iv) upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

SECTION TWENTY-SEVEN LANDLORD TO HAVE ACCESS

Landlord hereby expressly reserves the right to enter the Premises and/or any part thereof, at any time, (i) in the event of emergency, or (ii) starting six (6) months before the expiration of the Term, as same may be extended, to show same to prospective tenants. Furthermore, Landlord may enter the Premises after two (2) days written notice to make inspection and repairs, to exhibit the Premises to, purchasers, and/or to perform any acts related to safety, protection, preservation, or improvement of the Premises.

SECTION TWENTY-EIGHT RENEWAL TERMS

Tenant shall have the option of extending the Term of this Lease for three (3) consecutive period(s) of five (5) years each. Tenant shall provide Landlord with written notice of its intention to renew this Lease at least one hundred eighty (180) days, but no more than two hundred seventy (270) days prior to the expiration of the then current term.

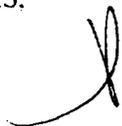
In the event Landlord does not receive Tenant's notice as stated above, Tenant shall not lose its option to renew unless and until the Tenant shall fail to give notice to Landlord within ten (10) days after receipt of written notice from Landlord citing Tenant's failure to exercise its option to renew.

In order to clarify the parties' notice responsibilities for renewals, and for no other purpose, Landlord and Tenant agree that this Lease shall commence on _____ and the initial term shall expire on _____. Any and all renewal terms shall be determined from these stipulated dates unless altered by Landlord and Tenant either by amendment or memorandum of lease.

The terms and conditions for each renewal period shall be the same as those contained herein. Anything contained herein to the contrary notwithstanding, commencing with the first day of the first option period and annually thereafter on each anniversary of said date. Gross Lease Rent shall increase at a rate of 3 % per year over the Gross Lease Rent payable for the immediately preceding twelve month period.

**SECTION TWENTY-NINE
LIMITATION OF LIABILITY OF PERSONS
AND ENTITIES AFFILIATED WITH TENANT**

LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT TENANT IS A DELAWARE CORPORATION AND THAT TENANT'S ASSETS CONSIST ALMOST EXCLUSIVELY OF LEASES, SUBLEASES, AND OPTIONS TO PURCHASE LEASED PREMISES. LANDLORD ALSO RECOGNIZES AND ACKNOWLEDGES THAT TENANT WAS ORGANIZED PRINCIPALLY FOR THE PURPOSE OF NEGOTIATING AND DRAFTING LEASES WITH A VIEW TOWARDS SUBLETTING THE LEASED PREMISES TO FRANCHISEES/LICENSEES OF DOCTOR'S ASSOCIATES INC. ("DAI"). LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT IT HAS BEEN ADVISED THAT DAI IS A FLORIDA CORPORATION THAT OWNS ALL RIGHTS TO AWARD FRANCHISES FOR SUBWAY® SANDWICH SHOPS AND THAT LANDLORD HAS ALSO BEEN ADVISED THAT TENANT HAS NO RIGHTS WHATSOEVER TO AWARD FRANCHISES FOR SUBWAY® SANDWICH SHOPS OR COLLECT ANY FRANCHISE-RELATED ROYALTIES FROM ANY PROSPECTIVE SUBLESSEE OF THE PREMISES. LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT IT HAS BEEN GIVEN AN OPPORTUNITY, WHETHER BY ITSELF OR WITH THE ASSISTANCE OF ITS PROFESSIONAL ADVISORS, TO MAKE INQUIRY OF TENANT'S FINANCIAL STATUS AND TO EVALUATE SAID STATUS TO ITS SATISFACTION. LANDLORD HAS EITHER MADE SUCH INQUIRY AND IS SATISFIED WITH THE RESPONSE TO SUCH INQUIRY OR HAS AFFIRMATIVELY AND VOLUNTARILY DETERMINED NOT TO DO SO. LANDLORD FURTHER RECOGNIZES AND ACKNOWLEDGES THAT NO PERSON OR ENTITY OTHER THAN TENANT HAS MADE ANY REPRESENTATIONS OF ANY KIND WITH REGARD TO THE ABILITY OF TENANT TO PERFORM TENANT'S OBLIGATIONS HEREUNDER. LANDLORD ALSO RECOGNIZES AND ACKNOWLEDGES THAT TENANT INTENDS TO SUBLEASE THE PREMISES TO A PERSON(S) WHO HAS OR WILL BE AWARDED A FRANCHISE/LICENSE FOR A SUBWAY® SANDWICH SHOP FROM DAI, UNDER WHICH SUBLEASE THE SUBLESSEE WILL PAY RENT DIRECTLY TO LANDLORD SO THAT THE RENTAL PAYMENT FROM SUCH SUBLESSEE WILL NORMALLY NOT BE RECEIVED OR HELD BY TENANT. ALTHOUGH THE SUBLESSEE MAY OPEN A BUSINESS OPERATION DOING BUSINESS AS A SUBWAY® SANDWICH SHOP AND MAY HAVE FRANCHISE AND OTHER BUSINESS RELATIONSHIPS WITH CORPORATIONS RELATED TO OR ASSOCIATED BY THE GENERAL PUBLIC WITH "SUBWAY." AS IT IS COMMONLY KNOWN, LANDLORD RECOGNIZES AND ACKNOWLEDGES THAT THE SOLE AND EXCLUSIVE PERSON OR ENTITY AGAINST WHICH IT MAY SEEK DAMAGES OR ANY REMEDIES UNDER THIS OR ANY OTHER DOCUMENT IN WHICH THE LANDLORD AND TENANT OR LANDLORD AND SUBLESSEE ARE PARTIES, WHETHER FOR UNPAID RENT AND ASSOCIATED DAMAGES, CLAIMS OF UNJUST ENRICHMENT, CLAIMS OF UNFAIR TRADE PRACTICES, OR ANY OTHER THEORY OF RECOVERY OF ANY KIND OR NATURE, IS TENANT OR SUBLESSEE. FURTHER, IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THERE WILL NOT BE ANY LIABILITY WHATSOEVER AGAINST (A) DAI, ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES AND/OR AGENTS, AND/OR (B) ANY PERSONS AND ENTITIES WHO ARE THE SHAREHOLDERS, DIRECTORS, OFFICERS,



EMPLOYEES, AND/OR AGENTS OF THE TENANT. SUCH EXCULPATION OF LIABILITY SHALL BE ABSOLUTE AND WITHOUT ANY EXCEPTION WHATSOEVER.

Tenant Initials

Landlord Initials

**SECTION THIRTY
ENTIRE AGREEMENT**

Landlord and Tenant hereby warrant and represent each to the other that there are no oral agreements affecting this Lease, exhibits and riders, if any, attached hereto and forming a part hereof, supersede and cancel any and all previous negotiations, arrangements, letters of intent, executed lease(s), lease proposals, brochures, agreements, representations, promises, warranties and understandings between the parties as stated by, including but not limited to, Tenant's agent(s), employee(s), SUBWAY® franchisee(s), and/or SUBWAY® development agent(s) of Doctor's Associates Inc. No alteration, amendment, change or addition to this Lease shall be binding upon either party unless reduced to writing and signed by each party.

**SECTION THIRTY-ONE
BROKERS**

Landlord and Tenant each represent and warrant to the other that no real estate broker, agent, commission salesman, or other person has represented either party in the negotiations for and procurement of this Lease and of the Premises, and that no commissions, fees or compensation of any kind are due and payable in connection herewith to any real estate broker, agent, commission salesman or other person. Each party agrees to indemnify and hold the other hereunder harmless from and against any claim for any such commissions, fees or other form of compensation by any such third party claiming through the indemnifying party, including, without limitation, any and all claims, causes of action, damages, costs and expenses (including attorneys' fees), associated therewith.

**SECTION THIRTY-TWO
COMPETITION**

Landlord agrees not to sell, lease, let, use or permit to be used, any other space in the Building now or at any time during the initial Term of this Lease or any renewal thereof to any entity which sells or serves ready-to-eat food and would be considered a direct competitor of Tenant (e.g. Jersey Mike's or Blimpie's).

Landlord warrants that Tenant shall not be in violation of any other exclusive rights when this Lease commences. Further, Landlord shall indemnify, defend and hold Tenant harmless from any third party claim or suit regarding any other exclusive right granted by Landlord.

SECTION THIRTY-THREE

RECORDING

Upon ten (10) days written request from either party, the other party agrees to acknowledge and deliver to the Memorandum of Lease, attached hereto as Exhibit B.

**SECTION THIRTY-FOUR
WAIVER**

No waiver by either of the parties hereto of any provision or breach thereof, shall be deemed a waiver of any other provision or of any subsequent breach by Tenant or Landlord of the same or any other provisions. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act.

No remedy or election hereunder shall be deemed exclusive, but shall, whenever possible, be cumulative with all other remedies at law or in equity.

**SECTION THIRTY-FIVE
LAW**

This Lease and the performance hereunder shall be governed by the laws of the state in which the Premises are located without reference to its conflict of laws provisions.

**SECTION THIRTY-SIX
HEADINGS**

The paragraph headings are for quick reference and convenience only and do not alter, amend, or otherwise affect the terms, conditions, and agreements set out herein.

**SECTION THIRTY-SEVEN
LITIGATION**

In the event of litigation between Landlord and Tenant relative to rights, obligations and duties of either party under this Lease, the prevailing party shall be entitled to recover from the other party the prevailing party's legal and other professional fees, costs and expenses. In addition, both parties hereby waive their rights to a trial by jury.

**SECTION THIRTY-EIGHT
SEVERABILITY**

Should any provision of this Lease be or become invalid, void, illegal or not enforceable, it shall be considered separate and severable from this Lease and the remaining provisions shall remain in force and be binding upon the parties hereto as though such provision had not been included.

**SECTION THIRTY-NINE
FORCE MAJEURE**

If either party fails to perform any of its obligations under this Lease as a result of Force Majeure, such party shall not be liable for loss or damage for the failure and the other party shall not be released from any of its obligations under this Lease. If either party is delayed or prevented from performing any of its obligations as a result of Force Majeure, the period of delay or prevention shall be added to the time herein provided for the performance of any such obligation. Anything contained herein to the contrary notwithstanding, the provisions of this Section shall not apply to Tenant's obligation to pay Rent.

"Force Majeure" shall mean any period of delay which arises from or through acts of God; strikes, lockouts, or labor difficulty; explosion, sabotage, accident, riot, or civil commotion; act of war; fire or other casualty; legal requirements; and causes beyond the reasonable control of a party.

**SECTION FORTY
LEASE EXECUTION**

Landlord and Tenant agree that this Lease is open for acceptance by Landlord for thirty (30) days following execution by Tenant. In the event Landlord does not execute this Lease within thirty (30) days of execution by Tenant, this Lease shall be null and void. Within three (3) business days, Landlord shall return any and all monies paid and all counterparts of this Lease executed by Tenant.

SECTION FORTY-ONE
(Intentionally Deleted)

SECTION FORTY-TWO
(Intentionally Deleted)

**SECTION FORTY-THREE
CONSTRUCTION**



Should any provision of this Lease require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be more strictly construed against the party who itself or through its agents prepared the same, it being agreed that Landlord, Tenant and their respective agents have participated in the preparation hereof.

SECTION FORTY-FOUR SUBORDINATION AND ATTORNMENT

This Lease and all rights of Tenant hereunder are and shall be subject and subordinate to any mortgage, deed to secure debt, deed of trust or other instrument in the nature thereof (herein called "Security Interest") which may now or hereafter affect Landlord's fee title to the Premises and/or Building. Tenant shall within five (5) days of request execute, acknowledge and deliver to Landlord, to Landlord's designee and/or the holder of any such Security Interest, the following: (i) such certificate or certificates that may be requested by Landlord or such holder to evidence the subordination of this Lease to such Security Interests; (ii) such certificate or certificates that may be requested by Landlord or such holder to make this Lease superior to the lien of any such Security Interests; and (iii) such attornment agreements as may be reasonably requested by successors to Landlord hereunder. If the holder of any such Security Interest shall hereafter succeed to the rights of Landlord under this Lease, whether through possession or foreclosure action or delivery of a new lease, Tenant shall, at the request of such holder, attorn to and recognize such successor as Tenant's landlord under this Lease and shall promptly execute and deliver any instrument that may be necessary to evidence such attornment.

SECTION FORTY-FIVE WHEN LEASE BECOMES BINDING

The submission of this document for examination and negotiation does not constitute an offer to lease, or a reservation of, or option for, the premises, and this document shall become effective and binding only upon the execution and delivery hereof by both Landlord and Tenant.

SECTION FORTY-SIX TIMELINESS OF CHARGES

Landlord agrees to notify Tenant in writing in accordance with this Lease of any back charges due changes in Additional Rent as and when they become due. All parties agree and acknowledge that time is of the essence with respect to these matters. In the event that Landlord does not appropriately notify Tenant within one hundred eighty (180) days of the date upon which said charges had become due, Landlord agrees that it has waived its rights to said back charges and further, that Tenant shall not be obligated to pay, nor shall it have any liability for these back charges. It is agreed that it is the intent of the parties that all charges be assessed in a timely manner as they accrue and in no event shall they be assessed to Tenant after this one hundred eighty (180) day period.

SECTION FORTY-SEVEN TENANT COVENANTS

- A. Tenant shall not abandon or vacate the Premises during the Term.

B. In accordance with the terms of this Lease, Tenant shall, at its sole expense, keep the Premises in good repair and tenantable condition. If Tenant fails to keep the Premises in good repair and tenantable condition, then in addition to any other rights and/or remedies of Landlord set forth herein for an event of default by Tenant, upon not less than ten (10) days prior written notice and opportunity to cure, Landlord can make such repairs as it deems necessary to put the Premises in good and tenantable condition and Tenant shall be liable to promptly reimburse Landlord for the reasonable cost of such repairs as additional rent hereunder.

C. Tenant shall, at its sole cost and expense, comply as to its use of the Premises, with all statutes, regulations, rules, ordinances and orders of any governmental body, department or agency thereof, and abide by and observe the Rules and Regulations attached to this Lease as Exhibit "D" and made a part hereof, and such further uniform rules and regulations for the management of the Building as may hereafter be established in writing by Landlord, provided that the Rules and Regulations.

D. Tenant shall report immediately in writing to Landlord any defective condition in or about the Premises actually known to Tenant.

E. Tenant shall pay as Additional Rent, a late charge in the amount of five percent (5%) of the outstanding delinquent balance or fifty dollars (\$50.00), whichever is greater, for any Rent payment not made within five (5) days after receipt of written notice from Landlord and shall be assessed an additional five percent (5%) charge for each month thereafter until paid in full; provided, however, Landlord shall only be required to provide such written notice and five (5) days to cure twice in any twelve (12) month period during the Term of this Lease and from and after third such failure of Tenant to pay any Rental payment within five (5) days after the date the same was due, Tenant shall pay as additional Rent a late charge in the amount of five percent (5%) of the outstanding delinquent balance or fifty dollars (\$50.00), whichever is greater, and shall be assessed an additional five percent (5%) charge for each month thereafter until paid in full. It is understood and agreed that such late charges shall constitute liquidated damages to compensate Landlord for additional bookkeeping expenses and clerical services which would be required of the Landlord as a result of the occurrence of events described in this Section. Such damages are difficult or impossible to estimate accurately and it is the intention of the parties to provide for liquidated damages in such event. It is further agreed that the sum provided in this Section is a reasonable pre-estimate of Landlord's probable loss, in the event of Tenant's failure to make any Rental payments within five (5) days after the due date thereof. Tenant shall also pay Fifty and 00/100 Dollars (\$50.00), promptly upon demand, as a charge to cover Landlord's administrative and clerical expenses in the event a check given to Landlord by Tenant is returned to Landlord unpaid by Landlord's bank due to insufficient funds or any other reason.

F. Tenant shall cooperate with Landlord in complying with all regulations of any governmental agency having jurisdiction of the Building, relating to the conservation of energy, including, without limitation, any regulations requiring the production of information regarding the consumption of energy within the Building.

SECTION FORTY-EIGHT GOVERNMENTAL REGULATIONS

Tenant waives the benefits of all existing and future Rent control Legislation and Statutes and similar governmental rules and regulations, whether in time of war or not, to the full extent permitted by law.

SECTION FORTY-NINE ESTOPPEL

Tenant shall, within five business (5) days of request, execute, acknowledge and deliver to Landlord and/or to Landlord's designee such certificate or certificates in recordable form reasonably evidencing whether or not (a) this Lease is in full force and effect, (b) this Lease has been amended in any way, (c) Tenant has accepted and is occupying the Premises, (d) there are any existing defaults, acts or omissions, which with the giving of notice or the passage of time would constitute defaults, on the part of Landlord or Tenant hereunder or defenses or offsets against the enforcement of this Lease to the knowledge of Tenant and specifying the nature of such defaults, defenses or offsets, if any, and (e) the date to which Rent, and other amounts due hereunder, if any, have been paid.

**SECTION FIFTY
SUCCESSORS AND ASSIGNS**

The words "Landlord" and "Tenant" as used herein shall include the respective contracting party, whether singular or plural, and whether an individual, masculine or feminine, or a partnership, joint venture, business trust or corporation. The provisions of this Lease shall inure to the benefit of and be binding upon Landlord and Tenant, and their respective successors, heirs, legal representatives and assigns, subject to the provisions of Sections Fifteen and Twenty-Nine hereof.

**SECTION FIFTY-ONE
TIME OF ESSENCE**

Time is of the essence of this Lease.

**SECTION FIFTY-TWO
EXCULPATION OF LANDLORD**

Landlord's obligations and liability to Tenant with respect to this Lease shall be limited solely to Landlord's interest in the Building, and neither Landlord nor any of the joint venturers of Landlord, nor any officer, director, or shareholder of Landlord or of any of the joint venturers of Landlord shall have any personal liability whatsoever with respect to this Lease. In consideration for entering into this Lease, Tenant hereby waives any rights to bring a cause of action against the individuals executing this Lease on behalf of Landlord (except for any cause of action based upon lack of authority or fraud), and all persons dealing with Landlord must look solely to Landlord's interest in the Building for the enforcement of any claim against Landlord, and the obligations hereunder are not binding upon, nor shall resort be had to the private property of any of, the trustees, officers, directors, employees or agents of Landlord or to any other property of Landlord..

IN WITNESS WHEREOF, the parties have executed and delivered this Lease as of the date first above written.

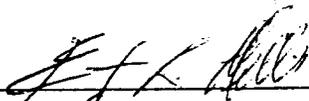
WITNESS:

LANDLORD: BAC FUNDING CORPORATION



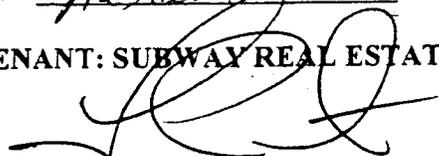
~~W. Culm~~
~~J. L. Miller~~

0800


By: 

Title: President

TENANT: SUBWAY REAL ESTATE CORP.

By: 
Vice President 11/19/03

LANDLORD'S ACKNOWLEDGMENT
(if corporation)

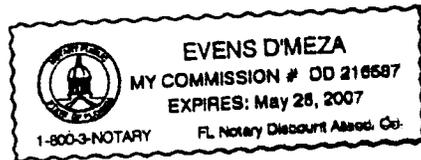
STATE OF FL)
) ss.
COUNTY OF _____)

Miami-Dade

On this 20~~th~~ day of October, 2003, before me, a Notary Public, in and for the jurisdiction aforesaid, personally appeared Edwin Miller, to me personally known, who by me duly sworn did say that he/she is the President of BAC Funding Corporation, and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and that he/she acknowledged execution of said instrument to be voluntary act and deed of said corporation.

[Signature]

Notary Public
(Notarial Seal)
My Commission expires 05/28/07



LANDLORD'S ACKNOWLEDGMENT
(if Individual)

STATE OF _____)
) ss.
COUNTY OF _____)

On this _____ day of _____, _____, before me personally appeared _____ known to me (or satisfactory proven) to be the person whose name is subscribed to the within instrument and acknowledged that he/she executed the same for the purpose therein contained.

Notary Public
(Notarial Seal)
My Commission expires _____

[Handwritten mark]

TENANT'S ACKNOWLEDGMENT

STATE OF CONNECTICUT)
) ss.
COUNTY OF NEW HAVEN)

On this 19 day of November 2003, before me, a Notary Public, in and for the jurisdiction aforesaid, personally appeared Theodora M. Parent, to me personally known, who by me duly sworn did say that he/she is the Vice President of Subway Real Estate Corp., and that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and that he/she acknowledged execution of said instrument to be voluntary act and deed of said corporation by it voluntarily executed.



Notary Public
(Notarial Seal)

My Commission expires _____

ROBERT R. GRESKO
NOTARY PUBLIC
MY COMMISSION EXPIRES JAN. 31, 2004

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EXHIBIT "A"
FLOOR PLAN

A handwritten signature or mark, possibly initials, located in the bottom right corner of the page.

EXHIBIT "B"
MEMORANDUM of LEASE

This is a memorandum of lease for the Lease executed on the 20th day of October, 2003, between Subway Real Estate Corp. a corporation organized under the laws of the State of Delaware, having its principal office at 325 Bic Drive, Milford, CT 06460, hereinafter called "the Tenant", and BAC Funding Corporation a corporation organized under the laws of the state of FL having its principal office at 2600 NW 67th Ave, hereinafter called the "Landlord."
Miami, FL 33177

1. Description of Leased Premises:

The Lessor leases to the Lessee the Premises as described in Lease:

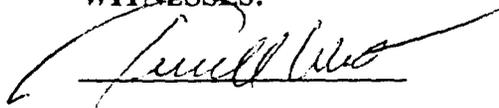
2600 NW 67th Street Miami, FL 33177

2. Term:

The Lease is for a term of 20 years to commence on the 1 day of April, 04 and terminate on the 31 day of March, 24.

20th **IN WITNESS WHEREOF**, the parties have hereunto executed this memorandum of lease this 20th day of October, 2003.

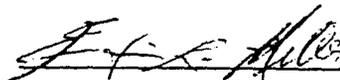
WITNESSES:



(AS TO LANDLORD)

WITNESSES:

LANDLORD: BAC FUNDING CORPORATION

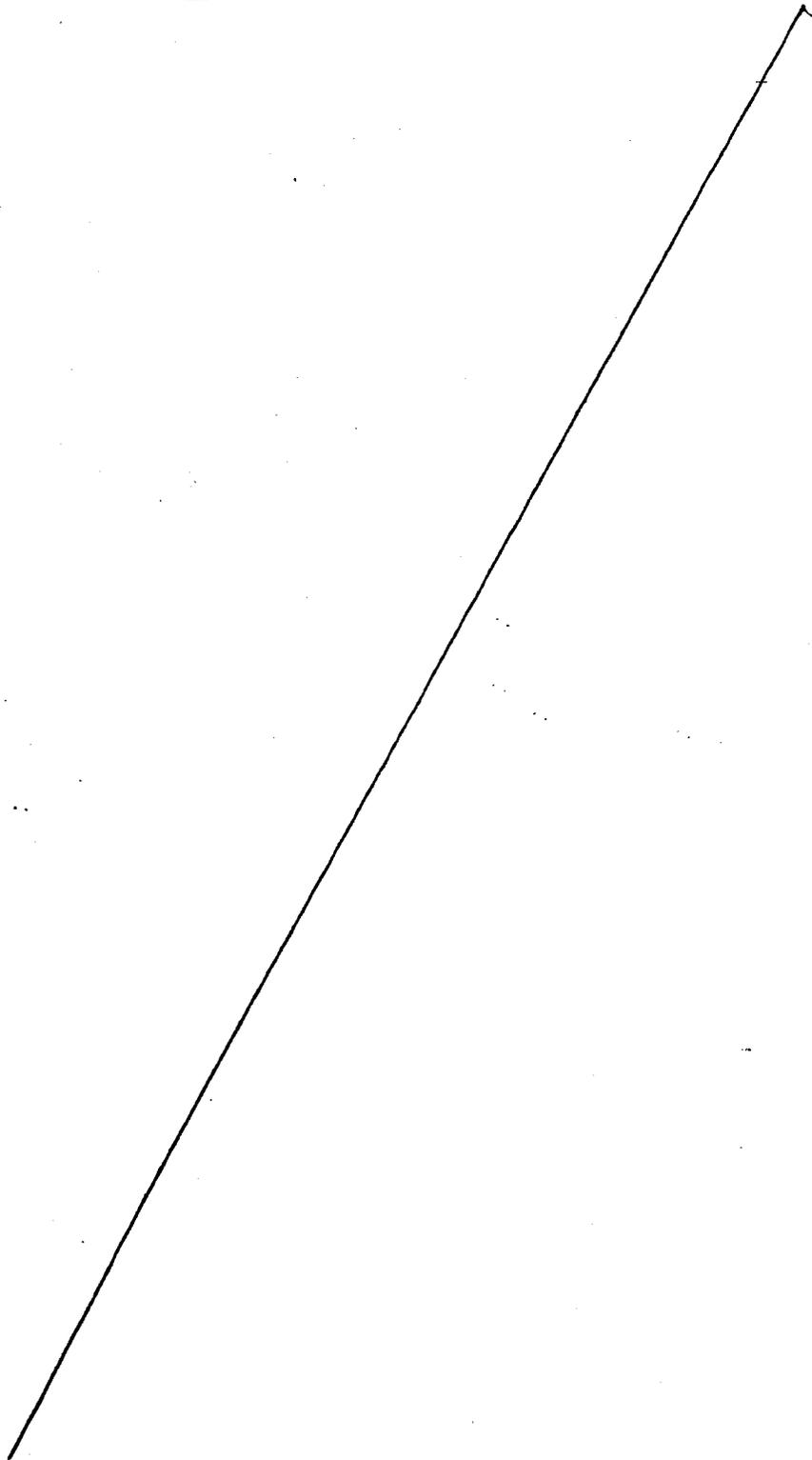


Tenant: Subway Real Estate Corp.

(SEAL)
VICE PRESIDENT



EXHIBIT "C"
LANDLORD'S WORK



[Handwritten signature]

EXHIBIT "D"
RULES AND REGULATIONS

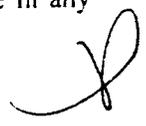
1. The sidewalks, halls, passages, exits, entrances, malls, common areas, parking areas, roadways, elevators, escalators and stairways of the Building shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective premises. The halls, passages, exits, entrances, malls, common areas, parking areas, roadways, elevators, escalators and stairways are not for the general public and Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom any tenant normally deals in the ordinary course of its business, unless such persons are engaged in illegal activities. Landlord shall have the right at any time without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor to change the arrangement and/or location of entrances or passageways, doors or doorways, corridors, elevators, stairs or toilets and to change, alter, increase, decrease or modify the other common areas of the Building.

2. The Premises shall not be used for the storage of merchandise held for sale to the general public or for lodging. In the event any cooking is expressly permitted in the Lease as use of the premises, such use shall be only be permitted in accordance with all applicable Federal, state and municipal laws, codes, ordinances, rules and regulations.

3. No tenant shall employ any person or persons other than the janitor of Landlord for the purpose of cleaning its premises unless otherwise agreed to by Landlord in writing. Except with the written consent of Landlord, no person or persons other than those approved by Landlord shall be permitted to enter the Building for the purpose of cleaning the same. No Tenant shall cause any unnecessary labor by reason of such Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to any tenant, or any other person, for any loss of property on the premises, however occurring.

4. The Landlord shall designate appropriate entrances and a "Freight" elevator for deliveries or other movement to or from the premises of equipment, materials, supplies, furniture or other property, and Tenant shall not use any other entrances or elevators for such purposes. The freight elevator shall be available, at no additional cost to Tenant, for use by all tenants in the Building, subject to such reasonable scheduling as Landlord in its discretion shall deem appropriate. All persons employed and means or methods used to move equipment, materials, supplies, furniture or other property in or out of the Building must be approved by Landlord prior to any such movement. Landlord shall have the right to prescribe the maximum weight, size and position of all equipment, materials, furniture or other property brought into the Building and the right to approve all items placed on the balconies; balconies shall be kept clean and in good order at all times. Tenant shall not allow any objects or articles to be dropped or thrown from any window or balcony. Heavy objects shall, if considered necessary by Landlord, stand on a platform of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such property from any cause, except as otherwise set forth in the Lease; and subject to the foregoing, all damage done to the Building by moving or maintaining such property shall be repaired at the expense of Tenant.

5. No tenant shall use or keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the Building by reason of noise, odors or vibrations, or interfere in any



way with other tenants or those having business in the Building, nor shall any animals or birds be brought or kept in the Premises or the Building.

6. Tenant acknowledges and agrees to the desirability or the necessity of Landlord, under law or in the prudent management of the Building, organizing and coordinating within the Building and among all tenants, arrangements and exercises appropriate to maximize the safety of all tenants in the event of fire or any other such disaster which may require the partial or total evacuation of the Building. Tenant undertakes and hereby agrees to fully cooperate with and participate in any simulated exercises with respect to the foregoing arrangements and exercises arranged from time to time by Landlord.

7. Tenant shall not tamper with or attempt to adjust temperature control thermostats in the Premises. Landlord shall make adjustments in thermostats as requested by Tenant when consistent with other provisions of this Lease.

8. All contractors and technicians rendering any installation service, including telephone service, to Tenant shall be referred to Landlord for approval and supervision prior to performing any services. This applies to all work performed in the Building, including, but not limited to, installation of telephones, telegraph equipment and electrical devices as well as all installations affecting floors, walls, woodwork, windows, ceilings and any other physical portion of the Building.

9. Landlord shall have the right, exercisable without notice and without liability to any tenant, to change the name or street address of the Building.

10. Landlord reserves the right to exclude from the Building between the hours of 6:00 P.M. and 7:00 A.M. and at all hours on Saturdays, Sundays and legal holidays all persons who do not present identification acceptable to Landlord. Landlord shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. In the case of invasion, mob, riot, public excitement or other circumstances rendering such action advisable in Landlord's opinion, Landlord reserves the right to prevent access to the Building during the continuance of the same by such action as Landlord may deem appropriate, including closing doors.

11. The directory of the Building will be provided for the display of the name and location of tenants. Landlord reserves the right to restrict the amount of directory space utilized by any tenant.

12. Tenant shall not use the plumbing for a purpose other than for which it is constructed. No grease or foreign substance shall be put in the plumbing, and the expense of any resulting breakage, stoppage or damage (whether on or off the premises) shall be borne by Tenant.

12. No curtains, draperies, blinds, shutters, shades, screens or other coverings, hangings, signs or decorations shall be attached to, hung or placed in, or used in connection with any window of the Building without the prior written consent of Landlord.

13. No tenant shall obtain for use in the Premises towel or other similar services, except at such reasonable hours and under such reasonable written regulations as may be fixed by Landlord.

14. Each tenant shall ensure that the doors of its premises are closed and locked and that all water faucets, water apparatus and utilities are shut off before Tenant or Tenant's employees leave the Premises so as to prevent waste or damage, and for any default or carelessness in this regard, Tenant shall make good all injuries sustained by other tenants or occupants of the Building of Landlord. On multiple tenancy floors, all tenants shall keep the doors to the Building corridors closed at all times except for ingress and egress.

15. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed. no foreign substance of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invites, shall have caused it.

16. Intentionally deleted.

17. Tenant shall not install any radio or television antenna, loudspeaker, or other device on the roof or exterior walls of the Building without the prior written consent of Landlord. No TV or radio or recorder shall be played in such a manner as to cause a nuisance to any other tenant or be heard outside the Premises.

18. There shall not be used in any space, or in the public halls of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards or such other material handling equipment as Landlord may approve. No other vehicles of any kind shall be brought by any tenant into the Building or kept in or about its Premises.

19. Each tenant shall store all its trash and garbage within its premises. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of office building trash and garbage in the City of Miami without being in violation of any law or ordinance governing such disposal. All garbage and refuse disposal shall be made only through the freight elevator provided for such purposes and at such times as Landlord shall designate. Garbage shall be removed daily and deposited in containers designated for same as Landlord shall provide or designate.

20. Tenant shall keep the premises free of vermin, rodent and all other types of pest infestation. Tenant shall use the pest extermination contractor Landlord may choose.

20. Canvassing, soliciting, distribution of handbills or any other written material and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.

21. The requirements of tenants will be attended to only upon application in writing at the office of the Building. Employees of Landlord shall not perform any work or do anything outside of their regular duties unless under special instructions from Landlord.

22. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular Tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other Tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Building.

23. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the agreements, covenants, conditions and provisions of any lease of premises in the Building. In the event of a conflict between these Rules and Regulations and the Lease to which they are attached, the Lease shall control.

24. Landlord reserves the right to make such other reasonable, uniform, written rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building and for the preservation of good order therein; provided the same are generally applicable to all tenants.

25. For the benefit of all building occupants, their clients and visitors, smoking is not permitted in any of the public areas of the building (especially the lobbies, corridors, exit stairwells, elevators and restrooms) nor at the main entrances to the buildings.

26. Except with the prior written consent of the Landlord, Tenant shall not install or operate any steam or internal combustion engine, boiler, machinery, refrigerating or heating device or air-conditioning apparatus in or about the Premises, or carry on any mechanical business therein; provided, however, subject to Landlord's prior written approval of Tenant's plans and specifications, which approval shall not be unreasonably withheld, conditioned or delayed.

A handwritten signature or mark, possibly a stylized letter 'L' or a similar symbol, located in the bottom right corner of the page.

SUBLEASE #32943 Norton II

This Sublease is made by and between Subway Real Estate Corp. ("Sublessor") and Harry Norton II ("Sublessee") this day of 2003

(1) August

(1) The Sublessor is the Tenant under a certain Master Lease made between It and BAC Funding Corporation as Landlord, dated the 19th day of November, 2003 and covers premises known as MLK Building, 2600 N.W. 64th Street, Miami, FL. A copy of the Master Lease is annexed hereto.

(2) The Sublessee has inspected the premises and accepts same as is.

(3) The Sublessor hereby subleases the premises to the Sublessee for the full term of the Master Lease (including renewal options, if any), minus one (1) day, commencing December 1, 2003, at the rental called for in the Master Lease, plus all charges such as common area charges, maintenance, insurance, tax and rental escalations. In the event the Master Lease contains renewal options, Sublessee agrees to notify Sublessor, by certified mail, return receipt requested, of its desire to exercise its option at least one hundred eighty days (180) prior to the date on which Sublessor must notify the Landlord of its intention to exercise its option to extend the lease. The Sublessee agrees that the Sublessor may elect not to extend the Master Lease if the Sublessee fails to give the Sublessor notice or if the Sublessee shall be in default in the performance of any of the terms of the Master Lease or the Franchise Agreement referred to in Paragraph 6 during the period one hundred eighty (180) days prior to the date the Sublessor must give notice to the Landlord.

(4) The Sublessee agrees to perform and observe all of the obligations of the Sublessor under the Master Lease and make all rental payments directly to the Landlord in the manner set forth in the Master Lease. In addition to any indemnity and insurance provisions contained in the Master Lease, the Sublessee agrees at all times during the term of this Sublease and for such prior or further term as a Sublessee occupies or has possession of the premises, and thereafter relating to such period of occupancy, to indemnify, defend, and hold harmless the Sublessor and its affiliates, and the shareholders, officers, directors, employees, and agents of the Sublessor and its affiliates, from and against all liability, injury, loss, cost (including attorneys' fees), damage and expense in respect of any injury or death of any persons and/or damage to any property while on the premises and to obtain and maintain insurance in accordance with the Master Lease and the Franchise Agreement with Doctor's Associates Inc. naming all such indemnified persons as additional insureds.

(5) The Sublessor acknowledges receipt from the Sublessee of the sum of -00- DOLLARS which has or shall be paid to the Landlord as the security deposit referred to in the Master Lease. In accordance with the terms of the Lease, the Sublessee shall be entitled to the rights of the Sublessor to the security deposit. In addition, the Sublessor acknowledges receipt from the Sublessee the sum of -00- DOLLARS which has or shall be paid to the Landlord as initial advance rent as required by the Master Lease. The Sublessor acknowledges receipt from the Sublessee the sum of \$5,000.00 (RCVD) DOLLARS which shall be held in a non-interest bearing escrow account and shall be returned to the Sublessee, without interest, upon the opening of this location for business. The Sublessor also acknowledges receipt from the Sublessee of the sum of FIFTY DOLLARS (\$50.00) which the Sublessee agrees is not refundable, and represents a reasonable fee for recording the Master Lease, including the recording fee and the Sublessor's administrative costs.

(6) The purpose of this Sublease is so that the Sublessee can operate a SUBWAY® sandwich shop under the terms of his Franchise Agreement with Doctor's Associates Inc. dated November 18, 2003. If at any time during the term of this Sublease, Sublessee shall default in the performance of any of the terms of the Master Lease or the Franchise Agreement, Sublessor may terminate this Sublease on ten (10) days written notice to Sublessee, and upon such termination, Sublessee shall quit and surrender the leased premises to Sublessor but Sublessee shall remain liable for the balance of the rent due as provided in this Sublease. The parties agree that trial by jury shall be waived in the event of litigation.

The Sublessee agrees to pay to the Sublessor upon demand, as additional rent, any fees, costs or charges, including attorneys' fees and legal costs, incurred by the Sublessor in enforcing any of the terms or

rate in the jurisdiction in which the SUBWAY® sandwich shop is located.

(7) The Sublessee may sublease the premises only to a franchisee of Doctor's Associates Inc. for use as a SUBWAY® sandwich shop, provided that the prior written consent to the subletting is obtained from the Sublessor, which consent shall not be unreasonably withheld. If Sublessor consents to the subletting of the premises, this consent shall not operate to release the Sublessee from his obligations under this Sublease.

(8) The Sublessor is hereby conveying to the Sublessee, subject to the terms and conditions of the Sublease, only those rights to the aforesaid premises which it acquired by virtue of the Master Lease. The Master Lease describes the landlord's duties which the Sublessor is not obligated to perform. If the Landlord fails to perform his duties under the Master Lease, the Sublessee must send Sublessor a notice by Certified Mail describing the Landlord's default in detail. Upon receipt of the notice, the Sublessor shall then promptly notify the landlord and demand performance of the agreement contained in the Master Lease. In the event Sublessee wishes to engage the services of an attorney to settle any disputes arising out of the Master Lease agreement, all fees and costs shall be borne by the Sublessee, it being understood that Sublessor is under no obligation to bring or defend any action brought by or against the Sublessee, the Sublessor or the landlord.

(9) The Sublessee shall not make any agreement with the Landlord which could modify, cancel or terminate the Master Lease.

(10) In the event that the Sublessee does not commence construction of the premises within fifteen (15) days after obtaining occupancy by ordering his equipment, making application for required permits and licenses and purchasing the mural and other approved wallcovering products (Marlite®) planks, plastic laminate, fiberglass reinforced panels, Duotone wallcovering, or glazed ceramic tile) required for his store, the Sublessor may terminate this Sublease on ten (10) days written notice.

(11) The Sublessee acknowledges that he has read the Offering Circular and Operations Manual of Doctor's Associates Inc., the Franchise Agreement and the Master Lease, and agrees to build and operate his franchise in compliance with these agreements. The Sublessee understands that the success, if any, of any given SUBWAY® sandwich shop location is the responsibility of the franchisee and he also acknowledges that representations of sales or earnings have not been made to him by Doctor's Associates Inc. employees or agents as to this or any other location.

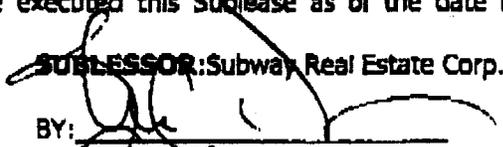
(12) This Sublease must be signed by each individual who signed the Franchise Agreement as franchisee, each of whom shall be jointly and severally liable under this Sublease. This Sublease contains the entire agreement between the Sublessor and the Sublessee with respect to the premises. This Sublease may only be amended or provisions hereof waived or modified, only in writing.

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first written above.

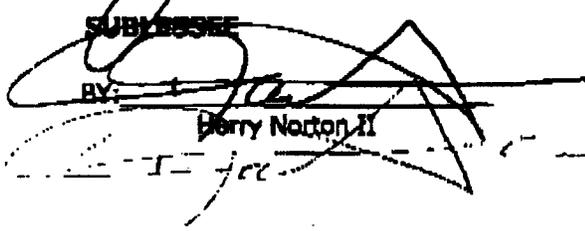
Dated: 5/11/04

Dated: 12-2-03

SUBLESSOR: Subway Real Estate Corp.

BY: 

SUBLESSEE

BY: 
Perry Nordon II

RM

Exhibit "D"

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