

Memorandum



Date: September 15, 2009

To: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Lease Agreement with Flagler Development Company, LLC
for the Miami-Dade County Police Department for Property
Located at 9955 N.W. 116 Way, Suite 10, Medley
Property # 2432-00-00

Agenda Item No. 8(F)(1)(D)

RECOMMENDATION

It is recommended that the Board approve the attached resolution authorizing execution of a Lease Agreement with Flagler Development Company, LLC., a Florida Limited Liability Company, for the Miami-Dade County Police Department for property located at 9955 N.W. 116 Way, Suite 10, Medley, for office and warehouse space. The attached Lease Agreement has been prepared by the General Services Administration at the request of Miami-Dade Police Department.

PROPERTY: 9955 N.W. 116 Way, Suite 10, Medley

COMMISSION DISTRICT: 12

COMMISSION DISTRICTS IMPACTED: Countywide

OWNER: Flagler Development Company, LLC

COMPANY PRINCIPALS: Armando Codina, President
Jose Hevia, Vice President
Kolleen Cobb, Vice President/Secretary
Carlos Abaunza, Vice President/Treasurer
Keith Tickell, Vice President

OWNER'S TRACK RECORD: The County has no record of negative performance issues with Flagler Development Company, LLC.

USE: 10,600 square feet of air-conditioned and heated office space and 1,748 square feet of warehouse space for a total of 12,348 square feet of rentable space.

JUSTIFICATION: This is not a new lease agreement. The Miami-Dade County Police Department has been at this location since 2004 and has a need to continue utilizing this facility for administrative offices and warehouse space.

LEASE TERM: Two years with no additional renewal option period.

EFFECTIVE DATES: Commencing on the latter of, (1) upon the passage of the resolution of the Miami-Dade County Board of County Commissioners approving this Lease Agreement or (2) October 1, 2009 and terminating two years thereafter.

RENTAL RATE: The annual rent for the first lease year of the lease term is \$145,089.00, which is equal to \$11.75 per square foot on an annual basis. The annual rent for the second lease year shall be \$149,441.67, which is equal to \$12.10 per square foot on an annual basis. The Tenant shall be responsible for reimbursing the Landlord for its pro-rata share of any increases of the building's operating expenses to the extent that these operating expenses exceed the base year 2009.

FINANCIAL IMPACT: The total financial impact for the first lease year is estimated to be \$199,723.32, which is comprised of the following:

First Year Occupancy Cost:

	<u>Total Dollars</u>	<u>PSF</u>
<u>Annual Base Rent</u>		
Annual Base Rent:	\$ 145,089.00	\$ 11.75
<u>Direct Expense:</u>		
Electricity:	\$ 21,609.00	\$ 1.75
Water:	\$ 7,408.80	\$.60
Janitorial and custodial:	\$ 15,435.00	\$ 1.25
HVAC maintenance:	\$ 3,477.96	\$.29
Security Alarm:	<u>\$ 900.00</u>	<u>\$.07</u>
Total Base Rent:	\$ 193,919.76	\$ 15.71
<u>Indirect Expense:</u>		
Lease Management Fee (4%)	<u>\$ 5,803.56</u>	

Total Cost to County, first year: \$ 199,723.32

LEASE CONDITIONS: The Landlord shall be responsible for electrical lines, fixtures and equipment, the integrity and structure of the building, roof and roof leaks, windows doors and frames, fire equipment, exterior common areas, grounds maintenance and replacement of air conditioning and heating equipment. The Tenant shall be responsible for electricity, water and sewer, custodial and janitorial services, security alarm system, HVAC maintenance and its proportionate share any increases of the building's operating expenses above the base year 2009 and included with the annual rental as per Article XXXIII "Operating Expenses" of the Lease Agreement.

CURRENT LEASE: The current lease agreement was approved by the Board on February 17, 2004 by Resolution Number R-229-04. The Board approved a lease agreement for a five-year and two months term with no renewal option periods. The lease expires September 30, 2009. There is a month-to-month holdover clause in the lease agreement.

CANCELLATION PROVISION: None.

FUNDING SOURCE: General Funds. This expense has been budgeted in the Miami-Dade Police Department's operating budget. The index code is PD560318 and the sub-object code is 25511. The available balance for the Fiscal Year 2009 - 2010 is \$200,780.36 and the department will budget the appropriate funds for the second lease year. ✓

OTHER PROPERTIES
EVALUATED:

8420 N.W. 52 Street, Miami — \$21.00 for a full service lease plus pro-rated share of the building's operating expenses estimated at \$7.50 per square feet on an annual basis, inclusive of common area utilities, Real Estate Taxes, Public Liability Insurance, maintenance, security and property management staff. There are 50 employees at this facility and the relocation expenses have been estimated to be \$125,000.00.

10451 N.W. 117 Avenue, Miami — \$18.00 per square foot on an annual basis for a triple net lease. The tenant is responsible for utilities, exterior and interior building maintenance, taxes, insurance, custodial and janitorial services. The additional total costs are estimated at \$11.00 per square foot on an annual basis. There are 50 employees at this facility and the relocation expenses have been estimated to be \$125,000.00.

9725 N.W. 117 Avenue, Miami — \$18.00 per square foot on an annual basis for a triple net lease. The tenant is responsible for all utilities, janitorial and custodial services, the building's taxes, insurance, interior and exterior maintenance. The estimated costs for the additional expenses are estimated at \$11.00 per square foot on an annual basis. There are 50 employees at this facility and the relocation expenses have been estimated to be \$125,000.00.

DELEGATED AUTHORITY: Authorizes the County Mayor or the County Mayor's designee to execute the lease agreement.

LEASE MONITOR: Margaret Araujo, Real Estate Officer.



Wendi J. Norris
Director
General Services Administration



MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss
and Members, Board of County Commissioners

DATE: September 15, 2009

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No. 8(F)(1)(D)

Please note any items checked.

- "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
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's _____, 3/5's _____, unanimous _____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(F)(1)(D)
9-15-09

RESOLUTION NO. _____

RESOLUTION AUTHORIZING EXECUTION OF A LEASE AGREEMENT AT 9955 N.W. 116 WAY, SUITE 10, MEDLEY, WITH FLAGLER DEVELOPMENT COMPANY, LLC., A FLORIDA LIMITED LIABILITY COMPANY, FOR PREMISES TO BE UTILIZED BY THE MIAMI-DADE COUNTY POLICE DEPARTMENT FOR ADMINISTRATIVE OFFICES AND WAREHOUSE SPACE, WITH TOTAL FISCAL IMPACT TO MIAMI-DADE COUNTY NOT TO EXCEED \$404,008.00 FOR THE TWO-YEAR TERM OF THE LEASE AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S 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 approves the Lease Agreement between Flagler Development Company, LLC., a Florida Limited Liability Company, for premises to be utilized by the Miami-Dade County Police Department Narcotics Bureau for administrative offices and warehouse space, with total fiscal impact to Miami-Dade County not to exceed \$404,008.08 for the two-year term of the Lease, in substantially the form attached hereto and made a part hereof; authorizes the County Mayor or the County Mayor's designee to execute same for and on behalf of Miami-Dade County; and authorizes the County Mayor or the County Mayor's 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:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro
Carlos A. Gimenez
Barbara J. Jordan
Dorin D. Rolle
Katy Sorenson
Sen. Javier D. Souto

Audrey M. Edmonson
Sally A. Heyman
Joe A. Martinez
Natacha Seijas
Rebeca Sosa

The Chairperson thereupon declared the resolution duly passed and adopted this 15th day of September, 2009. 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.



Juliette R. Antoine

LEASE AGREEMENT

THIS AGREEMENT made on the _____ day of _____, 2009 by and between FLAGLER DEVELOPMENT COMPANY, LLC, a Florida Limited Liability Company, hereinafter called the "LANDLORD," and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter called the "TENANT,"

GSA ADMIN. SVCS.
PERSONNEL SECTION
2009 AUG -5 P 12:13

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 Demised Premises described as follows:

10,600 rentable square feet of air-conditioned office space and 1,748 square feet of warehouse space located at 9955 N.W. 116 Way, Suite 10, Medley, Florida 33178 the "Demised Premises." The Demised Premises constitutes a portion of a Building containing approximately 47,809 square feet of rentable space. (the "Building") The foregoing measurements were made and agreed to by the parties. The Building and the location of the Demised Premises are as shown on the Site Plan attached hereto as Exhibit A. The Building is included in a multiple-building business and industrial park known as Flagler Station (f/k/a Beacon Station) (the "Park"). The Building's square footage is approximately, 47,809 rentable square feet (the "Building Rentable Area") of which approximately 12,348 rentable square feet is to be occupied by TENANT as the Demised Premises (the "Tenant Rentable Area").

TO HAVE AND TO HOLD unto the said TENANT for a term of two (2) years, commencing on the latter of, 1) upon the passage of the Resolution of the Miami-Dade County Board of County Commissioners (the "Board") approving this Lease Agreement or 2) October 1, 2009 (the "Effective Date") and terminating two (2) years thereafter. The annual rental for the Demised Premises for the first year shall be One Hundred Forty-Five Thousand Eighty-Nine Dollars and 00/100 (\$145,089.00), payable in equal monthly installments of Twelve Thousand Ninety Dollars and 75/100 (\$12,090.75), payable in advance on the first day of every month at Flagler Development Company, P.O. Box 861945, Orlando, Florida 32886 or at such other place and to such other person as LANDLORD may from time to time designate in writing, as set forth herein. The annual rental for the second year shall be increased by three

percent (3%). The October monthly installment rental payment for each year will be processed by the County after the close of the County's fiscal year, for each calendar year.

This Lease Agreement replaces the Lease Agreement dated 2/27/04 between LANDLORD and TENANT, as amended by that certain Amendment to Lease dated 4/26/05 (together, the "Original Lease"). Upon the Effective Date, the Original Lease Agreement shall terminate and be replaced by this Lease Agreement.

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

ARTICLE I
USE OF DEMISED PREMISES

The area of the Demised Premises shall be used by TENANT for the performance of County business by County departments, agencies, and authorities and for the performance of work incidental thereto, which will necessarily entail services performed for the general public.

TENANT shall not create a nuisance or use the Demised Premises for any illegal or immoral purpose. TENANT shall observe all reasonable rules and regulations established by LANDLORD from time to time for the Building. The rules and regulations in effect as of the date hereof, are attached to and made a part of this Lease Agreement as Exhibit B. LANDLORD will have the right at all times to change and amend the rules and regulations in any reasonable manner as it may deem advisable for the safety, care and operation or use of the Park or the Demised Premises.

ARTICLE II
CONDITION OF DEMISED PREMISES

The TENANT hereby accepts the Demised Premises to be in a state of good repair and suitable for usage by TENANT at the commencement of the term of this Lease Agreement.

ARTICLE III
UTILITIES

TENANT, during the term hereof, shall pay all charges for its' own separately metered utilities (to the extent such utilities are separately metered for the Demised Premises), janitorial and trash removal.

TENANT shall, in common with other tenants in the Building, pay as Operating Expenses TENANT's Share of utilities not separately metered for the Demised Premises.

ARTICLE IV
MAINTENANCE

LANDLORD agrees to provide, repair or replace, as necessary, and maintain and keep in good repair, condition, and appearance, during the term of this Lease Agreement and any extension or renewal thereof, the exterior of the Building and the following:

Plumbing and electrical lines, fixtures, and equipment;
Halls, stairways, elevators, and lavatories;
Air-conditioning and heating equipment, subject to the terms of Article XX hereof;
HVAC System Preventive Maintenance for Leased Space;
Roof and roof leaks;
Windows, doors, and frames;
Fire equipment, including inspection as required by applicable fire codes.

LANDLORD, at its sole cost and expense, (provided that the cost of such maintenance, repairs and replacements shall be included in Operating Expenses to the extent permitted under Article XXXIII hereof) shall perform or cause to be performed in the Demised Premises during the term of this Lease Agreement (except for Saturdays, Sundays, and holidays) the maintenance and services as described above. LANDLORD shall also repair, replace and maintain at its sole cost and expense, subject to Article XXXIII, "Operating Expenses" of this Lease Agreement, the electrical, mechanical, utility and plumbing systems servicing the Demised Premises, the roof and all other structural elements of the Building, except for damages to the interior of the Demised Premises caused by the negligence or willful misconduct of TENANT or TENANT's employees, agents, contractors, visitors, and/or invitees.

Upon the failure of LANDLORD to effect repairs or perform the above-stated services pursuant to this Lease Agreement and after five (5) days' written notification to do so by TENANT, TENANT may cause the repairs to be made and deduct their actual cost from the rental payments due and to become due until in each instance TENANT has fully recovered such costs in accordance with audited costs of repair furnished by TENANT to LANDLORD; provided however, that if more than five (5) days are reasonably required for LANDLORD to effect such repairs, then, LANDLORD shall not be deemed to be in violation

of this provision if LANDLORD commenced such repairs within said five (5) day period and thereafter diligently prosecutes such repairs to completion. In the event of an emergency, TENANT after proper notification to the LANDLORD and failure of the LANDLORD to take immediate action, may perform repairs that are the LANDLORD's responsibility and receive a credit against rental payments or a cash reimbursement from LANDLORD for the actual costs thereof. All of the aforesaid repairs shall be made with reasonable diligence and in a good and workmanlike manner and in accordance with all terms and conditions of this Lease Agreement. TENANT shall maintain the interior of the Demised Premises, other than the above described items, in good order, condition and repair. TENANT shall be responsible for janitorial and custodial services for the Demised Premises and shall maintain the interior of the Demised Premises in an attractive and fully operative condition.

ARTICLE V
ALTERATIONS BY TENANT

TENANT may not make any alterations, additions, or improvements in or to the Demised Premises without the written consent of LANDLORD, which shall not be unreasonably withheld, so long as the proposed alterations, additions or improvements will not affect the structure of the Building or the Building Systems. All additions, fixtures, or improvements (except but not limited to store and office furniture and fixtures which are readily removable without injury to the Demised Premises) shall be and remain a part of the Demised Premises at the expiration of this Lease Agreement. Subject to the above, removable partitions installed by TENANT within the Demised Premises shall remain TENANT's property and may be removed by TENANT upon the expiration of the Lease Agreement or any renewal or cancellation hereof. TENANT shall at TENANT's expense, repair any damage to the Demised Premises or Building caused by the removal of any of TENANT's personal property. TENANT will have no authority or power, express or implied, to create or cause any construction lien or mechanics' lien or materialmen's lien or claim of any kind against the Demised Premises, the Park or any portion thereof. TENANT will promptly cause any such liens or claims to be released by payment, bonding or otherwise within thirty (30) days after request by LANDLORD, and will indemnify LANDLORD, to the extent and within the limitations of Section 768.28, of the Florida Statutes, against losses arising out of any such claim including without limitation to, legal fees and court costs.

Notice is here given that the LANDLORD will not be liable for any labor, services or material furnished or to be furnished to TENANT, or to anyone holding the Demised Premises through or under TENANT, and that no mechanics' or other liens for any such labor, such services or materials will attach to or affect the interest of LANDLORD in the Demised Premises. TENANT will disclose the foregoing provisions to any contractor engaged by TENANT providing labor, services or material to the Demised Premises.

Throughout the term of this Agreement, LANDLORD agrees to provide any additions, fixtures, or other improvements that TENANT may request, and TENANT shall reimburse LANDLORD for any such additions, fixtures, or improvements separately invoiced to the TENANT at the rates agreed-upon with the LANDLORD for such services.

ARTICLE VI
DESTRUCTION OF DEMISED PREMISES

In the event the Demised Premises or any portion thereof should be destroyed or so rendered untenable by fire, windstorm, or other casualty, either party may cancel this Lease Agreement for its convenience by the giving of written notice to the other within sixty (60) days after the occurrence of the fire, windstorm, or other casualty. In the event of cancellation under this Article, neither party shall be responsible to the other party for any expense associated with the cancellation, and TENANT shall only be liable to LANDLORD for such rents as may be due as of the date of such fire, windstorm, or other casualty.

If neither party shall exercise the foregoing right of cancellation, LANDLORD shall cause the Building and Demised Premises to be repaired and placed in good condition within one hundred eighty (180) days following the date of casualty, time being of the essence. If the Demised Premises sustained damages such that repairs cannot be completed within one hundred eighty (180) days, TENANT shall be entitled to cancel the Lease Agreement by the giving of written notice to LANDLORD at any time, notwithstanding the commencement of any repairs by LANDLORD. TENANT shall not be liable for rent during such period of time as the Demised Premises be untenable by reason of fire, windstorm or other casualty.

In the event of partial destruction or damages to the Demised Premises which do not render the

Demised Premises untenable, the rents shall be proportionately abated in accordance with the extent to which TENANT is deprived of use, occupancy or full enjoyment of the Demised Premises, unless TENANT exercises its right of cancellation as set forth above.

ARTICLE VII
DISABLED INDIVIDUALS

LANDLORD understands, recognizes, and warrants to the best of its knowledge that all common areas are, and shall at all times be maintained, in accordance with the requirements for disabled individuals contained in the Americans with Disabilities Act of 1990 (the "ADA") and Section 553.501 et seq. of the Florida Statutes, as presently written and as may be hereafter amended.

LANDLORD further warrants that the Demised Premises and access thereto, including but not limited to restrooms, hallways, entryways to the street, and accessible parking, if parking is provided under the Lease Agreement, shall be in compliance with the accessibility standards for government programs contained in the ADA and all requirements of Section 553.501 et seq. of the Florida Statutes. LANDLORD covenants and agrees that the Demised Premises and access thereto shall at all times be maintained in accordance with those requirements at LANDLORD's cost and expense, (unless included in Operating Expenses pursuant to the terms of this Lease) except where changes are required as a result of TENANT's change in program or work force.

LANDLORD agrees to correct any and all violations of the obligations of LANDLORD under this Section within thirty (30) days of written notice by TENANT of the existence of the same, provided that, if such violations cannot feasibly be corrected within said thirty-day period, then LANDLORD agrees to commence such repairs within said thirty-day period and to diligently pursue the completion of same within a reasonable period thereafter.

LANDLORD recognizes and agrees that, throughout the term of the Lease Agreement, TENANT may in its discretion change its employees or programs which operate from the Demised Premises. LANDLORD agrees that TENANT may, at TENANT's expense, make such changes to the Demised Premises or the access thereto as may be required by TENANT to accommodate disabled individuals or to provide program accessibility in connection with any such change in TENANT's programs or work force; provided that any such changes shall be made only with LANDLORD's prior written consent and in

accordance with the terms of this Lease Agreement, including without limitation, Article V hereof.

ARTICLE VIII
NO LIABILITY FOR PERSONAL PROPERTY

All personal property placed or moved in the Demised 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 or willful misconduct of LANDLORD, LANDLORD's agents or employees.

ARTICLE IX
SIGNS

TENANT shall not place any signs on the Premises, Building or Park except with the prior written consent of the LANDLORD, including consent as to location and design, which may be withheld in LANDLORD's sole discretion, provided that TENANT may place exterior signs on the exterior of and in front of the Building in locations approved in advance by LANDLORD, provided that any and all such signs shall be installed and shall be maintained by TENANT at its sole cost and expense and shall be in compliance with LANDLORD's sign criteria; a copy of which is attached hereto as Exhibit C, the Rules and Regulations and all applicable laws. TENANT shall be responsible to LANDLORD for the installation, use, or maintenance of said signs and any damage caused thereby. TENANT agrees to remove all of its signs prior to the expiration or earlier termination of the Lease and upon such removal to repair all damage incident to such removal.

ARTICLE X
LANDLORD'S RIGHT OF ENTRY

LANDLORD or any of its agents shall have the right to enter said Demised Premises during all reasonable working hours, upon the giving of twenty-four (24) hours' prior notice, unless an emergency exists (in which event no notice shall be required), (i) to examine the same or to make such repairs, additions, or alterations as may be deemed necessary for the safety, comfort, or preservation thereof of said Building (ii) to show said Demised Premises to prospective purchasers, lenders, or anyone having a prospective interest in the Building, and during the last one-hundred eighty (180) days of the Lease term or any renewal thereof, to show said Demised Premises to prospective tenants. At the election of TENANT, LANDLORD shall be accompanied by an employee of TENANT, except in the event of an emergency.

LANDLORD shall use its commercially reasonable efforts to minimize any interference to TENANT's usage of the Demised Premises during the exercise of any rights granted to LANDLORD herein.

ARTICLE XI
LIABILITY FOR DAMAGE OR INJURY

TENANT shall not be liable for any damage or injury which may be sustained by any party or person on the Demised Premises other than the damage or injury caused by the negligence of TENANT (including its agents or employees), subject to all limitations of Florida Statutes, Section 768.28.

ARTICLE XII
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 Demised Premises above described, without hindrance or molestation by LANDLORD.

ARTICLE XIII
SURRENDER OF DEMISED PREMISES

TENANT agrees to surrender to LANDLORD at the end of the term of this Lease Agreement, or any extension thereof, said Demised Premises in as good condition as said Demised 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.

ARTICLE XIV
INDEMNIFICATION AND HOLD HARMLESS

LANDLORD shall indemnify and hold harmless the TENANT and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' 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 this AGREEMENT by the LANDLORD or its employees, agents, partners, principals or invitees. LANDLORD shall pay all claims and losses in connections 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 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.

TENANT does hereby agree to indemnify and hold harmless the LANDLORD to the extent and within the limitations of Section 768.28, Florida Statutes, subject to the provisions of that Statute whereby the TENANT shall not be held liable to pay a personal injury or property damage claim or judgment by any one person which exceeds the sum of \$100,000, or any claim or judgments or portions thereof, which, when totaled with all other occurrence, exceeds the sum of \$200,000 from any and all personal injury or property damage claims, liabilities, losses or causes of action which may arise solely as a result of the negligence of the TENANT, its agents or its employees. However, nothing herein shall be deemed to indemnify the LANDLORD from any liability or claim arising out of the negligent performance or failure of performance of the LANDLORD or any unrelated third party.

ARTICLE XV
ASSIGNMENT OR SUBLET

TENANT shall not assign this Lease Agreement or any part thereof or sublet all or any part of the Demised Premises without prior written consent of LANDLORD, which consent may be withheld in LANDLORD's sole and absolute discretion; provided, however, that with respect to any proposed assignment or sublease by TENANT to another County Agency, LANDLORD's consent may only be withheld in LANDLORD's reasonable discretion. Any assignment or subletting consented to by LANDLORD shall be evidenced in writing in a form acceptable to LANDLORD.

ARTICLE XVI
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 permitted assigns of the respective parties hereto, the same as if they were in every case named and expressed.

ARTICLE XVII
NOTICES

It is understood and agreed between the parties hereto that written notices addressed and sent by certified or registered mail, return receipt requested, first class, postage prepaid or guaranteed overnight

delivery service and addressed as follows:

TENANT:

General Services Administration
Real Estate Development Division
Real Estate Section
111 N.W. First Street, Suite 2460
Miami, Florida 33128

LANDLORD:

Flagler Development Company, LLC
10505 N.W. 112 Avenue
Suite 114
Miami, Florida 33178

COPY TO:

Flagler Development Company, LLC
10151 Deerwood Park Boulevard
Building 100, Suite 330
Jacksonville, Florida 32256
Attention: Legal Department

shall constitute sufficient notice to TENANT, and written notice addressed to LANDLORD, and mailed or delivered to the address as stated above, shall constitute sufficient notice to LANDLORD to comply with the terms of this Lease Agreement. Notices provided herein in this paragraph shall include all notices required in this Lease Agreement or required by law.

ARTICLE XVIII
IMPROVEMENTS OF THE DEMISED PREMISES

Subject to the terms, condition and covenants of this Lease Agreement, LANDLORD at LANDLORD's cost and expense, shall complete and prepare the Demised Premises as follows:

1. Repair and/or replace defective light fixtures and light covers.
2. Repair and replace any defective or broken outlet covers and light covers.
3. Clean windows throughout the Demised Premises and install Dow Corning 995 Wet Glazed Anchoring System "lumenesse 8MIL, Nano Ceramic, Spectrally Safety and Security wind impact Film" or equivalent.
4. Clean air conditioning grills/vents.
5. Install electrical outlets as required by department and in compliance with fire code.

ARTICLE XIX
HEATING, VENTILATION, AND AIR-CONDITIONING

LANDLORD acknowledges that it is responsible for providing and maintaining, at no cost or expense to TENANT except as set forth below, a good, sufficient, and safe heating, ventilation, and air

conditioning system to cool and heat the entire Demised Premises.

ARTICLE XX
HVAC MAINTENANCE

LANDLORD at TENANT's expense shall be required to initiate and maintain a commercial HVAC system maintenance contract, or contracts which shall call for regular maintenance and service at least semi-annual to such systems in accordance with industry standards. The cost of such preventive maintenance under contract shall be billed directly to TENANT by LANDLORD and shall be deemed additional rent.

ARTICLE XXI
PARKING AND GROUNDS

TENANT shall have the right to use the parking areas associated with the Building at a rate of 2.18 vehicles per 1,000 square feet of Demised Premises.

ARTICLE XXII
WAIVER OF LANDLORD'S LIEN

LANDLORD, for itself and its successors and assigns, does hereby waive all rights to levy and/or distraint and all lien rights accrued and accruing as to all personal property, machinery, fixtures, and equipment, affixed or otherwise, now or hereafter belonging to or in the possession of TENANT. Further, TENANT may at its discretion remove from time to time all or part of its personal property, machinery, trade fixtures, and equipment.

ARTICLE XXIII
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 XXIV
LANDLORD'S DEFAULT

It shall constitute a default of this Lease Agreement by LANDLORD if, except as otherwise provided in this Lease Agreement, LANDLORD fails to observe or perform any of the covenants, conditions, or provisions of this Lease Agreement to be observed or performed by LANDLORD, where such failure shall continue for a period of thirty (30) days after written notice thereof from TENANT to LANDLORD; provided, however, that if the nature of LANDLORD's non-compliance is such that more than thirty (30) days are reasonably required for its cure, then LANDLORD shall not be deemed to be in default if LANDLORD commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. In the event of any such default by LANDLORD, TENANT may at any time bring an action for damages, or injunctive relief (it being recognized that in such event TENANT is irreparably harmed for which there is no adequate remedy at law). No remedy of TENANT provided for in the Lease Agreement shall be considered to exclude or suspend any other remedy provided for herein, but the same shall be cumulative and in addition to TENANT's remedies at law or in equity.

ARTICLE XXV
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 monthly 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 XXVI
DEFAULT OF TENANT

If TENANT shall fail to pay any monthly 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, (unless LANDLORD has already given two (2) such notices of default during the previous twelve-month period in which event LANDLORD shall have no obligation to give such notice.) and further, if TENANT shall be diligently attempting to cure such failure to perform any other conditions, covenants, or agreements, (other than its failure to pay Rent) 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 XXVII
ASSIGNMENT BY LANDLORD

If the interests of LANDLORD under this Lease Agreement shall be transferred voluntarily or by reason of foreclosure or other proceedings for enforcement of any mortgage on the Demised Premises, TENANT shall be bound to such transferee (herein sometimes called the "Purchaser") for the balance of the term hereof remaining, and any extension or renewals thereof which may be effected in accordance

with the terms and provisions hereof, with the same force and effect as if the Purchaser were the LANDLORD under this Lease Agreement, and TENANT does hereby agree to attorn to the Purchaser, including the Mortgagee under any such mortgage if it be the Purchaser, as its LANDLORD, said attornment to be effective and self-operative without the execution of any further instruments upon the Purchaser succeeding to the interest of the LANDLORD under this Lease Agreement. The respective rights and obligations of TENANT and the Purchaser upon such attornment, to the extent of the then remaining balance of the term of this Lease Agreement and any such extensions and renewals, shall be and are the same as those set forth herein. In the event of such transfer of LANDLORD's interests, LANDLORD shall be released and relieved from all liabilities and responsibility to TENANT thereafter accruing under this Lease Agreement or otherwise and LANDLORD's successor by acceptance of rent from TENANT hereunder shall become liable and responsible to TENANT in respect to all obligations of the LANDLORD under this Lease Agreement.

ARTICLE XXVIII
NON-DISTURBANCE

The Lease Agreement shall be subordinate and subject to all ground or underlying leases and mortgages covering the fee of the property, or which at any time thereafter affect the property, and to all renewals, modifications, or replacements thereof; provided, however, that with respect to any ground lease agreement, underlying lease agreement, or mortgage subsequent to the date of this Lease Agreement, such subordination shall not be effective unless and until LANDLORD shall obtain from any and all such ground lessors, underlying lessors, and/or lenders a written subordination, non-disturbance and Attornment agreement in the form attached hereto as Exhibit D, with TENANT wherein any and all such ground lessors, underlying lessors, and/or lenders shall agree that the Lease Agreement shall not be divested or in any way affected by foreclosure, other default proceedings, or other succession in interest by or under any ground lease agreement, lease agreement mortgage, or obligation secured thereby, so long as TENANT complies with the terms, conditions, and covenants of this Lease Agreement and performs its obligations

under this Lease Agreement (said agreement being referred to herein as "Subordination, Non-Disturbance and Attornment Agreement"). If LANDLORD shall so fail to obtain a Non-Disturbance Agreement from any ground lessor, holder of any mortgage, or underlying lessor, then the parties recognize that this Lease Agreement shall be and remain superior to any such ground lease agreement, underlying lease agreement, and/or mortgage entered into or executed subsequent to the date of this Lease Agreement. Further, with respect to any and all existing ground lease agreement, underlying lease agreement, and/or mortgage, LANDLORD shall obtain from any and all ground lessors, underlying lessors, and/or lenders a Subordination, Non-Disturbance and Attornment Agreement in the form attached hereto as Exhibit "E." LANDLORD and TENANT agree that the terms, conditions, and covenants contained herein shall not be altered or affected by any subsequent change in ownership of the Property by reason of foreclosure, conveyance, or otherwise. Any document purporting to transfer ownership in the Property, whether presently in existence or not, shall be subordinate to this Agreement, and subject to the terms, obligations, and covenants herein.

ARTICLE XXIX
LANDLORD'S RIGHT TO REPAIR

LANDLORD shall have access to all air conditioning and heating equipment and to all other mechanical, electrical, plumbing and utility installations servicing the Building and the Demised Premises upon twenty-four (24) hours prior written notice to TENANT, except in the event of an emergency, in which case such notice shall be reasonable under the circumstances. At the election of TENANT, LANDLORD shall be accompanied by an employee of TENANT, except in the event of an emergency. LANDLORD shall use its best efforts to minimize any interference to TENANT's usage of the Demised Premises during the exercise of any rights granted to LANDLORD herein. In the event that, because of the act or negligence of LANDLORD, its employees, agents, or contractors, LANDLORD shall fail to provide, or cause to be provided, to substantially all of the Demised Premises, air conditioning, plumbing (unless LANDLORD shall provide other facilities in the Building), any elevator service or electricity for more than two (2) continuous business days, the rent shall equitably abate based on any substantial portion of the Demised Premises affected until the situation is corrected. Notwithstanding anything contrary to the

ARTICLE XXX
ESTOPPEL CERTIFICATES

LANDLORD and TENANT agree, at any time and from time to time, upon not less than sixty (60) business days prior written notice by such party, to execute, acknowledge, and deliver to the other a statement in writing:

A. certifying that this Lease Agreement has been unmodified since its execution and is in full force and effect (or if Lease Agreement has been modified since its execution, that it is in full force and effect, as modified, and stating the modifications);

B. stating the dates, if any, to which the rent and sums hereunder have been paid by TENANT;

C. stating whether or not to the knowledge of LANDLORD or TENANT, as the case may be, there are then existing any defaults under this Lease Agreement (and, if so, specifying the same);

D. stating the terms of any renewal or expansion option of TENANT, if any;

E. stating that TENANT is in possession of the Demised Premises;

F. stating whether LANDLORD or TENANT has any offsets or claims against the other party and, if so, specifying with particularity the nature and amount of such offset or claim; and

G. stating the address to which notices to LANDLORD or TENANT, as the case may be, should be sent. Any such statement delivered pursuant thereto shall provide that such statement may be relied upon by LANDLORD or TENANT or any prospective purchaser or mortgagee or lessee or assignee of the Property, or any part thereof or estate therein.

ARTICLE XXXI
AMENDMENT

All amendments to this Lease Agreement must be in writing and signed by LANDLORD prior to submittal to the Board of County Commissioners.

ARTICLE XXXII
ENVIRONMENTAL QUALITY

Without prejudice to any other obligation of LANDLORD pursuant to this Lease Agreement, LANDLORD shall at all times comply with the following requirements:

A. INDOOR AIR QUALITY. LANDLORD shall at all times maintain the Heating, Ventilating, and Air Conditioning System (HVAC) in the Demised Premises and shall perform at least the minimum

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periodic preventive maintenance on the HVAC system equipment in accordance with the manufacturer's specifications and recognized industry standards for such equipment.

B. WATER QUALITY. LANDLORD shall, following any build-out, changes, or repairs by LANDLORD significantly impacting the plumbing system, have the drinking water sampled and tested for lead by a recognized Testing Laboratory. Results of such tests shall not exceed the EPA standard for lead in drinking water of 15 PPB. The drinking water test shall be paid for by LANDLORD and the original test results shall be furnished to TENANT.

C. NOTICE OF PEST MANAGEMENT OPERATIONS. The use of pesticide sprays or dusts in the Demised Premises as part of pest control services shall only be used in places of infestation as demonstrated by sticky traps or other such devices observed by TENANT or but never as a preventative measure. Such spot sprays or dusts shall be only after normal working hours to allow for ventilation before TENANT employees re-enter the Demised Premises. TENANT encourages LANDLORD to employ the use of traps, baits, or portable vacuums before resorting to pesticide sprays or dusts. LANDLORD shall give TENANT twenty-four (24) hours' notice prior to commencement of pest control services that include sprays or dusts with any kind of pesticide or other chemicals. LANDLORD shall provide reasonable assurance that any and all such chemicals are being handled in accordance with the Material Safety Data Sheet (MSDS) provided by their manufacturer.

D. NOTICE OF RENOVATION OPERATIONS. To the extent of customary construction practices and recognized industry standards, LANDLORD shall act to prevent the degradation of indoor air quality during any Building renovation, remodeling, and similar activities that could allow off-gassing from embodied chemicals in construction materials, furniture, or equipment into spaces occupied by and common areas used by TENANT.

ARTICLE XXXIII
OPERATING EXPENSES

All charges payable by TENANT under the terms of this Lease Agreement other than base rent are called "Additional Rent". Unless this Lease Agreement provides otherwise, the additional rent is included in the monthly rent charged by LANDLORD and payable with the monthly installment of base rent. For the purposes of this lease Agreement, the following terms shall have the meanings ascribed to them herein:

- a. "Operating Expenses" shall mean any expenses incurred whether by the LANDLORD or by

others on behalf of the LANDLORD arising out of LANDLORD's maintenance, operation, repair, replacement (if such replacement is generally regarded in the industry as increasing operating efficiency or is required under any applicable law that was not in effect or not applicable to the Park on the Commencement Date of the Original Lease) and administration of the Park, Building, Demised Premises and common areas, including, without limitation: (i) all real estate, personal property and other Ad Valorem taxes, and any other levies, charges, local improvement rates, and assessments whatsoever assessed or charged against the Park, Building, Demised Premises and common areas, the personal property owned by LANDLORD and used in the operation of the Park, Building or common areas therein contained, including any amounts assessed or charged in substitution for or in lieu of any such taxes, excluding only income or capital gains taxes imposed upon LANDLORD, and including all costs associated with the appeal of any assessment on taxes; (ii) insurance that the LANDLORD is obligated or permitted to obtain under this Lease and any deductible amount applicable to any claim made by the LANDLORD under such insurance; (iii) security, if any is provided by LANDLORD; (iv) landscaping and pest control, (v) a reasonable management fee; (vi) electricity, water, sewer, gas, window washing, janitorial services, trash and debris and other maintenance and utility charges; (vii) wages and benefits payable to employees of LANDLORD and LANDLORD's property manager whose duties are directly connected with the operation and maintenance of the Demised Premises, Building, common areas or Park; and (viii) dues and assessments under any applicable deed restrictions or declarations of covenants and restrictions. If the Park is a multi-Building project and any tax expense, insurance expense, or other Operating Expense is not assessed separately or charged specifically to the Building, but is charged against the Park as a whole (or applicable portion thereof,) LANDLORD shall reasonably determine the portion of such Operating Expenses chargeable to TENANT, based upon a fraction in which the numerator is the square footage of the Demised Premises and the denominator is the total square footage of all Buildings in the Park (or applicable portion thereof.)

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Operating Expenses shall, however, exclude: (i) interest and amortization on mortgages and other debt costs or ground lease payments, if any; (ii) depreciation of Building and other improvements (except permitted amortization of certain capital expenditures); (iii) legal fees in connection with leasing, tenant disputes or enforcement of leases; (iv) real estate brokers' commissions or marketing costs; (v) improvements or alterations to tenant spaces not required by law or insurance underwriting standards; (vi) the cost of providing any service directly to, and paid directly by, any tenant; (vii) costs of any items to the extent LANDLORD receives reimbursement from insurance proceeds or from a warranty or other such third party (such proceeds to be deducted from Operating Expenses in the year in which received); and (viii) capital expenditures, except those (a) made primarily to reduce Operating Expenses or increases therein, or to comply with laws or insurance requirements (excluding capital expenditures to cure violations of laws or insurance requirements that existed prior to the date of the Original Lease), or (b) for replacements (as opposed to additions or new improvements); provided, any such permitted capital expenditure shall be amortized (with interest at the prevailing loan rate available to LANDLORD when the cost was incurred) over: (x) the period during which the reasonable estimated savings in Operating Expenses equals the expenditure, if applicable, or (y) the useful life of the item as reasonably determined by LANDLORD, but in no event less than five (5) years nor more than ten (10) years.

- b. "Base Year Operating Expenses" shall mean the Operating Expenses for the calendar year 2009.
- c. "Tenant's Share" shall mean that certain portion of the Operating Expenses that TENANT is obligated to pay to LANDLORD, which shall be calculated by multiplying the difference between annual Operating Expenses less the Base Year Operating Expenses by a fraction, the numerator of which shall be the total square footage of the Demised Premises and the denominator of which shall be the total square footage of the Building, which fraction as of the Effective Date shall be 25.83%, $(12,348 \div 47,809 = 25.83\%)$ unless otherwise set forth in the memorandum of lease commencement. TENANT's share shall be subject to change.

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as and if the square footage of either the leased Demised Premises or the Building changes.

- d. "Payment of Operating Expenses" in addition to the payment of base rent, TENANT shall pay TENANT's Share to LANDLORD in those years during the lease term in which Operating Expenses exceed the Base Year Operating Expenses. On or before March 31, of each year after the Base Year, LANDLORD shall provide an estimate of the Operating Expenses for the current calendar year and an estimate of TENANT's Share if any, (the "Estimate Statement"). If the estimated Operating Expenses exceed the Base Year Operating Expenses, TENANT shall remit monthly one-twelfth (1/12th) of TENANT's Share (the "Estimated Payment") as Additional Rent together with its payments of base rent' provided that the LANDLORD may invoice TENANT retroactively for the months of January through the month of issuance of the Estimate Statement. On or before March 31st of each calendar year, LANDLORD shall send a statement to TENANT detailing all Operating Expenses for the prior year and setting forth the amount representing the TENANT's Share, as reconciled for the actual Operating Expenses of the prior year (the Operating Expense Statement"). If the Operating Expense Statement indicates that the estimated Operating Expenses paid by TENANT during the preceding year exceeded TENANT's Share then, TENANT shall be given a credit in the amount of the difference between the estimated payments made in the preceding year and the TENANT's Share against its next due installments of Operating Expenses. If the Operating Expense statement indicates that TENANT's Share exceeded the estimated payments, then TENANT shall remit the difference to LANDLORD as Additional Rent. LANDLORD's failure to provide a statement shall not prejudice LANDLORD's right to collect a shortfall (provided that LANDLORD ultimately, provides the Operating Expense Statement to TENANT) or TENANT's right to receive a credit for over payments.

During the Lease term or any extension thereof, but not more than one (1) time per year, TENANT shall have the right to cause LANDLORD's books and records with respect to Operating Expenses to be audited by a reputable independent certified public accountant or a reputable lease auditing firm of TENANT's choosing or by TENANT's in-house auditing

department; provided that; (i) TENANT shall notify LANDLORD, in writing, that it has elected to perform such audit within ninety (90) days after TENANT's receipt of the applicable Operating Expense Statement for the year to be audited (the "Election Notice"); (ii) such audit shall commence within sixty (60) days after TENANT sends the Election Notice; (iii) such audit shall be completed within sixty (60) days after the same is commenced; and (iv) TENANT shall have a reasonable period of time to object to an Operating Expense Statement based upon the results of such audit (which shall in no event exceed sixty (60) days after the completion of such audit.) TENANT hereby, agrees to keep the results of any such audit(s) confidential (except for disclosures required by law.) LANDLORD shall cause such books and records to be made available for such inspection during normal business hours at the office where LANDLORD maintains such books and records, upon no less than ten (10) days' prior written notification by TENANT to LANDLORD. Such audit shall be done in accordance with generally accepted auditing principles, consistently applied and TENANT shall provide LANDLORD a complete copy of such audit results at the conclusion thereof. If, at the conclusion of such audit, TENANT's audit of such expenses for the preceding year indicates that TENANT made an overpayment to LANDLORD for such preceding year, LANDLORD shall remit the amount of such overpayment to TENANT within thirty (30) days after receipt of notice from TENANT of the amount of such overpayment; if such audit indicates that TENANT made an underpayment for such preceding year, TENANT shall remit the difference to LANDLORD as Additional Rent within sixty (60) days of the conclusion of such audit. Should LANDLORD disagree with the results of TENANT's audit, LANDLORD and TENANT shall refer the matter to a mutually acceptable independent certified public accountant, who shall be hired on a non-contingent fee basis and shall work in good faith with LANDLORD and TENANT to resolve any discrepancy. The fees and costs of such independent accountant to which such dispute is referred shall be borne by the unsuccessful party and shall be shared pro rata to the extent each party is unsuccessful as determined by such independent certified public accountant, whose decision shall be final and binding.

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LANDLORD shall pay the cost of TENANT's initial audit if the total amount of Operating Expenses used for the calculation of pass-throughs for the year in question exceeded five percent (5%) or more of the total amount of Operating Expenses that should properly have been used.

ARTICLE XXXIV
FURNITURE, FIXTURES AND EQUIPMENT

LANDLORD shall allow TENANT the use of the existing telephone system (Nortel Norstar) and furniture (inventory attached hereto as Exhibit E) during the term of the Lease. TENANT accepts such furniture and equipment in its "as is" condition without recourse, representation or warranty of any kind by or from the LANDLORD, and LANDLORD hereby, expressly disclaims any and all implied warranties concerning the condition thereof, either in whole or in part, including but not limited to, the implied warranties of habitability, merchantability or fitness for a particular purpose. TENANT shall be fully responsible for the maintenance, repair and/or replacement of such furniture and equipment (normal wear and tear excepted) during the term of the Lease and LANDLORD shall have no obligations in connection therewith.

ARTICLE XXXV
HAZARDOUS MATERIALS

Throughout the Lease term TENANT will prevent the presence, use generation, release, discharge, storage, disposal, or transportation of any Hazardous Materials (as hereinafter defined) on, under, in, above, to, or from the Demised Premises except that, Hazardous Materials may be used in the Demised Premises as necessary for the customary maintenance of the Demised Premises provided that same are used, stored and disposed of in strict compliance with applicable laws. For purposes of this provision, the term "Hazardous Materials" will mean and refer to any wastes, materials, or other substances of any kind or character that are or become regulated as hazardous or toxic waste or substances or which require special handling or treatment, under any applicable laws.

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If TENANT's activities at the Demised Premises or TENANT's use of the Demised Premises (a) results in a release of Hazardous Materials that is not in compliance with applicable laws or permits issued thereunder, (b) gives rise to any claim or requires a response under common law or applicable laws or permits issued thereunder, (c) causes a significant public health effect, or (d) creates a nuisance, or (e) causes the presence at the Demised Premises of Hazardous Materials in levels that violate applicable laws or permits issued thereunder, then TENANT shall, at its sole cost and expense: (i) immediately provide verbal notice thereof to LANDLORD as well as notice to LANDLORD in the manner required by this Lease Agreement, which notice shall identify the Hazardous Material(s) involved and the emergency procedures taken or to be taken; and (ii) promptly take all action in response to such situation required by applicable laws, provided that TENANT shall first obtain LANDLORD's approval of the non-emergency remediation plan to be undertaken.

ARTICLE XXXVI
INSURANCE

TENANT will throughout the Lease term (and any other period when TENANT is in possession of the Demised Premises) be self-insured as to worker's compensation, public liability and automobile liability coverage. TENANT shall provide evidence of such coverage to LANDLORD upon execution of the Lease Agreement. All personal property placed or moved in the Demised Premises 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 the negligence or misconduct of LANDLORD, its agents or employees.

ARTICLE XXXVII
MISCELLANEOUS

(i) Radon is a naturally occurring radioactive gas that, when it has accumulated in a Building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in Building in the state of Florida. Additional information regarding radon and radon testing may be obtained from your county public health unit; (ii)

TENANT shall not record this Lease or any memorandum of lease without prior written consent from LANDLORD; (iii) This Lease shall be governed by the laws of the state of Florida; (iv) Time is of the essence of this Lease and all provisions contained herein; (v) LANDLORD and TENANT disclaim any intention to create a joint venture, partnership or agency relationship; and (vi) All riders, addenda and Exhibits attached hereto and referenced herein shall be deemed to be a part of hereof and are hereby incorporated as part of this Lease.

ARTICLE XXXVIII
HOLDOVER

If TENANT, with LANDLORD's consent, remains in possession of the Demised 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 (115%) 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 XXXIX
BROKER'S FEE

TENANT covenants, represents and warrants that TENANT had no dealings or negotiations with any broker or agent other than Flagler Real Estate Services, LLC, ("FRES") in connection with the consummation of this Lease. FRES is the sole broker with whom LANDLORD has dealt in this transaction and LANDLORD agrees to pay any commissions due said broker. TENANT acknowledges that FRES represents solely the LANDLORD with respect to this transaction. TENANT agrees to indemnify LANDLORD against any loss, liability, or expense (including attorney's fees and costs) arising out of successful claims for fees or commissions from anyone other than FRES with whom TENANT has dealt in connection with the lease of the Demised Premises. LANDLORD agrees to indemnify TENANT against any loss, liability, or expense (including attorney's fees and costs) arising out of successful claims

for fees or commission from anyone other than FRES with whom LANDLORD has dealt in connection with the lease of the Demised Premises.

ARTICLE XL
GOVERNING LAW

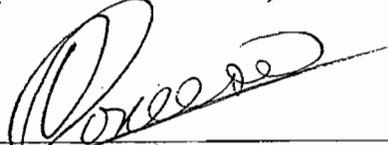
This Agreement, including any Exhibits or amendments, if any, and all matters relating thereto (whether in contract, statute, tort or otherwise) shall be governed by and construed in accordance with the laws of the State of Florida and the venue for any disputes shall be in Miami-Dade County. Preside.

ARTICLE XLI
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.

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)



WITNESS RAFAEL ROMERO



WITNESS ANGELA YAQUEZ

FLAGLER DEVELOPMENT COMPANY, LLC
A Florida Limited Liability Company



By: Eric Swanson, Vice President

(LANDLORD)

(OFFICIAL SEAL)

ATTEST:

HARVEY RUVIN, CLERK

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

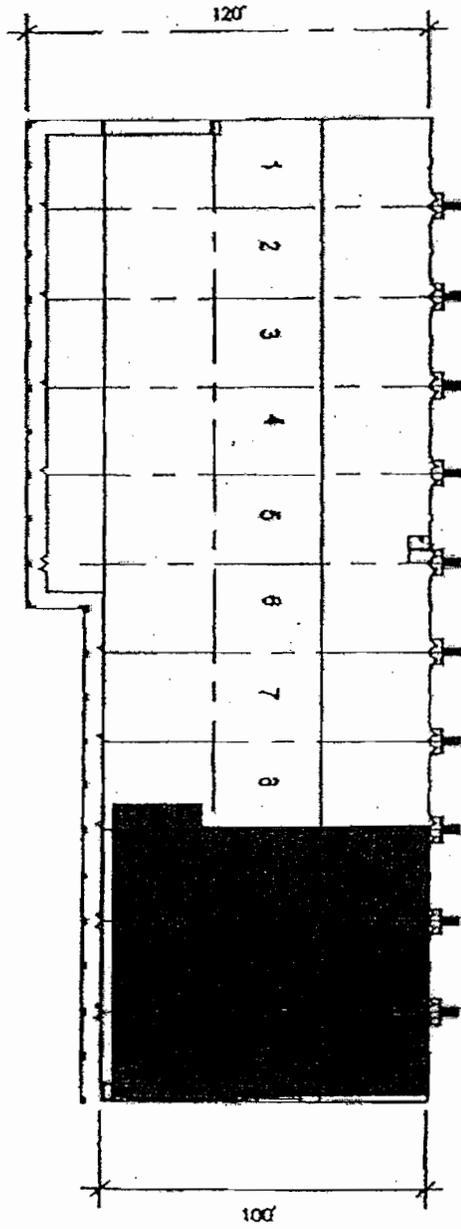
By: _____
Deputy Clerk

By: _____
Carlos Alvarez
County Mayor

(TENANT)

Approved by the County Attorney as
to form and legal sufficiency. _____

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BEACON STATION

OSM

RULES AND REGULATIONS

1. Security. The Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Building, any persons occupying, using, or entering the same, or any equipment, furnishings, or contents thereof, and the Tenant shall comply with the Landlord's reasonable requirements relative thereto.

2. Return of Keys. At the end of the Term, the Tenant shall promptly return to the Landlord all keys for the Building and Premises which are in the possession of the Tenant. In the event any Tenant fails to return keys, Landlord may retain \$50.00 of Tenant's security deposit for locksmith work and administration.

3. Repair, Maintenance, Alterations, and Improvements. The Tenant shall carry out Tenant's repair, maintenance, alterations, and improvements in the Premises only during times agreed to in advance by the Landlord and in a manner which will not interfere with the rights of other tenants in the Building.

4. Water Fixtures. The Tenant shall not use water fixtures for any purpose for which they are not intended, nor shall water be wasted by tampering with such fixtures. Any cost or damage resulting from such misuse by the Tenant shall be paid for by the Tenant.

5. Personal Use of Premises. The Premises shall not be used or permitted to be used for residential, lodging, or sleeping purposes or for the storage of personal effects or property not required for business purposes.

6. Heavy Articles. The Tenant shall not place in or move about the Premises without Landlord's prior written consent any safe or other heavy article which in the Landlord's reasonable opinion may damage the Building, and the Landlord may designate the location of any such heavy articles in the Premises.

7. Bicycles, Animals. The Tenant shall not bring any animals or birds into the Building, and shall not permit bicycles or other vehicles inside or on the sidewalks outside the Building except in areas designated from time to time by the Landlord for such purposes.

8. Deliveries. The Tenant shall ensure that deliveries of supplies, fixtures, equipment, furnishings, wares, and merchandise to the Premises are made through such entrances, elevators, and corridors and at such times as may from time to time be designated by the Landlord, and shall promptly pay or cause to be paid to the Landlord the cost of repairing any damage in the Building caused by any person making improper deliveries.

9. Solicitations. The Landlord reserves the right to restrict or prohibit canvassing, soliciting, or peddling in the Building.

10. Food and Beverages. Only persons approved from time to time by the Landlord may prepare, solicit orders for, sell, serve, or distribute foods or beverages in the Building, or use the Common Areas for any such purpose. Except with the Landlord's prior written consent and in accordance with arrangements approved by the Landlord, the Tenant shall not permit on the Premises the use of equipment for dispensing food or beverages or for the preparation, solicitation of orders for, sale, serving, or distribution of food or beverages.

11. Refuse. The Tenant shall place all refuse in proper receptacles provided by the Tenant at its expense in the Premises or in receptacles (if any) provided by the Landlord for the Building, and shall keep sidewalks and driveways outside the Building, and lobbies, corridors, stairwells, ducts, and shafts of the Building, free of all refuse.

12. Obstructions. The Tenant shall not obstruct or place anything in or on the sidewalks or driveways outside the Building or in the lobbies, corridors, stairwells, or other Common Areas, or use such locations for any purpose except access to and exit from the Premises without the Landlord's prior written consent. The Landlord may remove at the Tenant's expense any such obstruction or thing caused or placed by the Tenant (and unauthorized by the Landlord) without notice or obligation to the Tenant.

13. Proper Conduct. The Tenant shall not conduct itself in any manner which is inconsistent with the character of the Building as a first quality building or which will impair the comfort and convenience of other tenants in the Building.

14. Employees, Agents, and Invitees. In these Rules and Regulations, "Tenant" includes the employees, agents, invitees, and licensees of the Tenant and others permitted by the Tenant to use or occupy the Premises.

15. Parking. If the Landlord designates tenant parking areas for the Building, the Tenant shall park its vehicles and shall cause its employees and agents to park their vehicles only in such designated parking areas. In the event of failure of the Tenant or its employees or agents to park their vehicles in such designated parking areas, the Tenant shall forthwith on demand pay to the Landlord the sum of Twenty and No/100 (\$20.00) Dollars per day per each car so parked. Landlord may itself or through any agent designated for such purpose, make, administer, and enforce additional rules and regulations regarding parking by tenants and by their employees or agents, including, without limitation, rules and regulations permitting the Landlord or such agent to move any vehicles improperly parked to the designated tenant or employee parking areas. No disabled vehicle shall be left in the parking areas of the Building for more than 24 hours.

SIGN CRITERIA

NON-ILLUMINATED PANEL SIGNS

Main frame constructed from a 4" x 2" structural aluminum channel with corners mitered and heliarc welded.

Supply internal angle brackets for mounting at all four corners and 4' spacing for 8' and 12' panels. Faces are United Sign 063 thick aluminum sheet decorated per specs and held in with a 2" x 2" x 1/16" aluminum angle frame. As designed by Acolite & Claude Company.

FORM OF SNDASUBORDINATION, NONDISTURBANCE
AND ATTORNMMENT AGREEMENT

DEFINED TERMS

Execution Date: _____, 2003
Lender & Address: Metropolitan Life Insurance Company, a New York corporation 200 Park Avenue, 12th Floor New York, New York 10166 Attn: Senior Vice President Real Estate Investments with a copy to: Metropolitan Life Insurance Company 101 East Kennedy Blvd., Suite 1165 Tampa, FL 33602 Attn: Mortgage Portfolio Services
Tenant & Address: with a copy to:
Landlord & Address: Flagler Development Company 10151 Deerwood Park Boulevard, Building 100, Suite 330 Jacksonville, Florida 32256
Loan: A first mortgage loan in the original principal amount of \$ _____ from Lender to Landlord.
Note: A Promissory Note executed by Landlord in favor of Lender in the amount of the Loan dated as of _____, 2001.
Mortgage: A Mortgage, Security Agreement and Fixture Filing dated as of _____, 2001 executed by Landlord, to Lender securing repayment of the Note to be recorded in the records of the County in which the Property is located.
Lease and Lease Date:
Property: The Property is more particularly described on <u>Exhibit A</u> .

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (the "Agreement") is made by and among Tenant, Landlord, and Lender and affects the Property described in Exhibit A. Certain terms used in this Agreement are defined in the Defined Terms. This Agreement is entered into as of the Execution Date with reference to the following facts:

A. Landlord and Tenant have entered into the Lease covering certain space in the improvements located in and upon the Property (the "Premises").

B. Lender has made or is making the Loan to Landlord evidenced by the Note. The Note is secured, among other documents, by the Mortgage.

C. Landlord, Tenant and Lender all wish to subordinate the Lease to the lien of the Mortgage.

D. Tenant has requested that Lender agree not to disturb Tenant's rights in the Premises pursuant to the Lease in the event Lender forecloses the Mortgage, or acquires the Property pursuant to the power of sale contained in the Mortgage or receives a transfer of the Property by a conveyance in lieu of foreclosure of the Property (collectively, a "Foreclosure Sale") but only if Tenant is not then in default under the Lease and Tenant attorns to Lender or a third party purchaser at the Foreclosure Sale (a "Foreclosure Purchaser").

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

1. Subordination. The Lease and the leasehold estate created by the Lease and all of Tenant's rights under the Lease are and shall remain subordinate to the Mortgage and the lien of the Mortgage, to all rights of Lender under the Mortgage and to all renewals, amendments, modifications and extensions of the Mortgage.

2. Acknowledgements by Tenant. Tenant agrees that: (a) Tenant has notice that the Lease and the rent and all other sums due under the Lease have been or are to be assigned to Lender as security for the Loan. In the event that Lender notifies Tenant of a default under the Mortgage and requests Tenant to pay its rent and all other sums due under the Lease to Lender, Tenant shall pay such sums directly to Lender or as Lender may otherwise request. (b) Tenant shall send a copy of any notice or statement under the Lease to Lender at the same time Tenant sends such notice or statement to Landlord. (c) This Agreement satisfies any condition or requirement in the Lease relating to the granting of a nondisturbance agreement.

3. Foreclosure and Sale. In the event of a Foreclosure Sale,

(a) So long as Tenant complies with this Agreement and is not in default under any of the provisions of the Lease, the Lease shall continue in full force and effect as a direct lease between Lender and Tenant, and Lender will not disturb the possession of Tenant, subject to this Agreement. To the extent that the Lease is extinguished as a result of a Foreclosure Sale, a new lease shall automatically go into effect upon the same provisions as contained in the Lease between Landlord and Tenant, except as set forth in this Agreement, for the unexpired term of the Lease. Tenant agrees to attorn to and accept Lender as landlord under the Lease and to be bound by and perform all of the obligations imposed by the Lease, or, as the case may be, under the new lease, in the event that the Lease is extinguished by a Foreclosure Sale. Upon Lender's acquisition of title to the Property, Lender will perform all of the obligations imposed on the Landlord by the Lease except as set forth in this Agreement; provided, however, that Lender shall not be: (i) liable for any act or omission of a prior landlord (including Landlord); or (ii) subject to any offsets or defenses that Tenant might have against any prior landlord (including Landlord); or (iii) bound by any rent or additional rent which Tenant might have paid in advance to any prior landlord (including Landlord) for a period in excess of one month or by any security deposit, cleaning deposit or other sum that Tenant may have paid in advance

to any prior landlord (including Landlord); or (iv) bound by any amendment, modification, assignment or termination of the Lease made without the written consent of Lender; (v) obligated or liable with respect to any representations, warranties or indemnities contained in the Lease; or (vi) liable to Tenant or any other party for any conflict between the provisions of the Lease and the provisions of any other lease affecting the Property which is not entered into by Lender.

(b) Upon the written request of Lender after a Foreclosure Sale, the parties shall execute a lease of the Premises upon the same provisions as contained in the Lease between Landlord and Tenant, except as set forth in this Agreement, for the unexpired term of the Lease.

(c) Notwithstanding any provisions of the Lease to the contrary, from and after the date that Lender acquires title to the Property as a result of a Foreclosure Sale, (i) Lender will not be obligated to expend any monies to restore casualty damage in excess of available insurance proceeds; (ii) Tenant shall not have the right to make repairs and deduct the cost of such repairs from the rent without a judicial determination that Lender is in default of its obligations under the Lease; (iii) Lender shall not be required to grant nondisturbance to any subtenants of Tenant; (iv) in no event will Lender be obligated to indemnify Tenant, except where Lender is in breach of its obligations under the Lease or where Lender has been actively negligent in the performance of its obligations as landlord; and (v) other than determination of fair market value, no disputes under the Lease shall be subject to arbitration unless Lender and Tenant agree to submit a particular dispute to arbitration.

4. Subordination and Release of Purchase Options. Tenant represents that it has no right or option of any nature to purchase the Property or any portion of the Property or any interest in the Borrower. To the extent Tenant has or acquires any such right or option, these rights or options are acknowledged to be subject and subordinate to the Mortgage and are waived and released as to Lender and any Foreclosure Purchaser.

5. Acknowledgment by Landlord. In the event of a default under the Mortgage, at the election of Lender, Tenant shall and is directed to pay all rent and all other sums due under the Lease to Lender.

6. Construction of Improvements. Any provision of this Agreement to the contrary notwithstanding, the Lender shall have no obligation, or incur any liability, with respect to the erection and completion of the building in which the Premises demised by the Lease are or are to be located or for the completion of such Premises or any improvements for Tenant's use and occupancy.

7. Notice. All notices under this Agreement shall be deemed to have been properly given if delivered by overnight courier service or mailed by United States certified mail, with return receipt requested, postage prepaid to the party receiving the notice at its address set forth in the Defined Terms (or at such other address as shall be given in writing by such party to the other parties) and shall be deemed complete upon receipt or refusal of delivery.

8. Miscellaneous. Lender shall not be subject to any provision of the Lease that is inconsistent with this Agreement. Nothing contained in this Agreement shall be construed to derogate from or in any way impair or affect the lien or the provisions of the Mortgage. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

9. Liability and Successors and Assigns. In the event that Lender acquires title to the Premises or the Property, Lender shall have no obligation nor incur any liability beyond the lesser of (i) Lender's then equity interest in the Premises and Tenant shall look solely to Lender's then equity interest for the payment and performance of any obligations imposed upon Lender under this Agreement or under the Lease, or (ii) Landlord's liability as provided for under the Lease. This Agreement shall run with the land and shall inure to the benefit of the parties and, their respective successors and permitted assigns including a Foreclosure Purchaser. If a Foreclosure Purchaser acquires the Property or if Lender assigns or transfers its interest in the Note and Mortgage or the Property, all obligations and liabilities of Lender under this Agreement shall terminate and be the responsibility of the Foreclosure Purchaser or other party to whom Lender's interest is

assigned or transferred. The interest of Tenant under this Agreement may not be assigned or transferred except in connection with an assignment of its interest in the Lease, which has been consented to by Lender. THIS AGREEMENT RESULTS IN THE LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

IN WITNESS WHEREOF, the parties have executed this Subordination, Nondisturbance and Attornment Agreement as of the Execution Date.

LENDER:

METROPOLITAN LIFE INSURANCE COMPANY,
a New York corporation

By: _____

Name: _____

Title: _____

Print Name: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2003, by _____, the _____ of METROPOLITAN LIFE INSURANCE COMPANY, a New York corporation, on behalf of the corporation, who either ____ is personally known to me or ____ has produced identification in the form of _____ driver's license.

Print or Stamp Name: _____

Notary Public, State of _____

Commission No.: _____

My Commission Expires: _____

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TENANT:

By: _____

Name: _____

Title: _____

Print Name: _____

Print Name: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2003, by _____, the _____ of _____, a _____, on behalf of the corporation, who either _____ is personally known to me or _____ has produced identification in the form of _____ driver's license.

Print or Stamp Name: _____

Notary Public, State of _____

Commission No.: _____

My Commission Expires: _____

LANDLORD:

FLAGLER DEVELOPMENT COMPANY, a Florida corporation

By: _____
Name: _____
Title: _____

Print Name: _____

Print Name: _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2003, by _____, the _____ of FLAGLER DEVELOPMENT COMPANY, a Florida corporation, on behalf of the corporation, who either _____ is personally known to me or _____ has produced identification in the form of _____ driver's license.

Print or Stamp Name: _____
Notary Public, State of _____
Commission No.: _____
My Commission Expires: _____