

# MEMORANDUM

Agenda Item No. 8(K)(1)

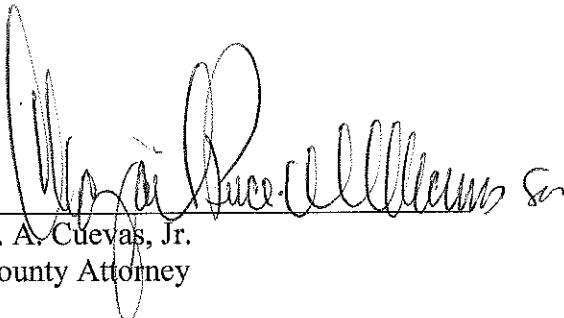
**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** September 4, 2013

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

**SUBJECT:** Resolution authorizing the County Mayor to enter into a leasehold purchase and sale agreement in the amount of \$7,160,000.00 between Miami-Dade County and PRC Investments and Management, LLC for the sale of the County's leasehold interest in Peninsula Edison Plaza; and authorizing the County Mayor to take all action necessary to accomplish the sale of said leasehold interest

The accompanying resolution was prepared by the Public Housing and Community Development Department and placed on the agenda at the request of Prime Sponsor Commissioner Audrey M. Edmonson.



R. A. Cuevas, Jr.  
County Attorney


RAC/cp

# Memorandum



**Date:** September 4, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Resolution Authorizing the Execution of a Leasehold Purchase and Sale Agreement between Miami-Dade County and PRC Investments and Management, LLC for Peninsula Edison Plaza Shopping Center

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## Recommendation

It is recommended that the Board of County Commissioners (Board) authorize the County Mayor or County Mayor's designee to execute a Leasehold Purchase and Sale Agreement (Purchase Agreement) between Miami-Dade County (County) and PRC Investments and Management, LLC (PRC), for Peninsula Edison Plaza (Edison Plaza) in the amount of \$7,160,000.00 and to complete the sale transaction as set forth in the Purchase Agreement.

## Scope

Edison Plaza is a shopping center located at 6261 NW 7<sup>th</sup> Avenue, Miami, Florida, 33150. The gross square footage of Edison Plaza is 81,400 with 75,197 square feet as leasable (92 percent of the gross square footage.). The property is located in District 3, represented by Miami-Dade County Commissioner Audrey M. Edmonson. Edison Plaza is anchored by Presidente Supermarket and supported by Family Dollar and Rainbow Fashions. Additional franchise tenants include GameStop, Wingstop and Footlocker stores. The 2013 building values located on the property are \$4.02 million.

## Fiscal Impact/Funding Source

PRC has deposited \$780,000.00 in escrow, as a demonstration of its commitment to purchase the leasehold interest. The agreed upon sale price is \$7,160,000.00, which will be used to pay-down the County's Section 108 debt used to fund this and other Section 108 projects in Targeted Urban Areas. Part of the collateral for the Section 108 debt is the County's annual allocation of Community Development Block Grant (Block Grant) Entitlement funds, which are administratively managed by Public Housing and Community Development Department (Department). If the Section 108 debt is not paid, the United States Department of Housing and Urban Development (Housing and Urban Development) can authorize the non-payment amount to be withheld from the next year's Block Grant allocation.

The Leasehold Purchase and Sale Agreement (Attachment 1) can be terminated at any time before the Closing (a) by mutual consent of the Seller and Buyer; (b) by Buyer, upon written notice to Seller, if Seller has breached any representation, warranty, covenant or agreement, such breach has had, either individually or in the aggregate, a Material Adverse Effect, and such breach is either not capable of being cured prior to the Closing or, if such breach is capable of being cured, is not so cured within ten (10) days of notice by Buyer to Seller of such breach; or (c) by Seller, upon notice to Buyer, if Buyer has breached any representation, warranty, covenant or agreement, and such breach is either not capable of being cured prior to the Closing or, if such breach is capable of being cured, is not so cured within ten (10) days of notice by Seller to Buyer of such breach.

**Track Record/Monitor**

PRC has agreed to enter into a Purchase Agreement with the County. The purchase price for the leasehold interest is \$7,160,000. Upon execution of the Purchase Agreement, the County will convey and assign to PRC all of its rights, title and interests in the lease and sublease. Craig Clay, Chief Financial Officer of the Department will be responsible for monitoring this agreement.

**Background**

The Board adopted Ordinance 99-94 on July 27, 1999 which authorized the submission of an application to the Housing and Urban Development for a Section 108 Loan in the amount of \$40 million for the sole purpose of creating a Revolving Loan Fund (Fund) program for designated Target Urban Areas. It was anticipated that the Fund program could result in assisting Targeted Urban Areas business participation in the County's economic growth and in the creation of at least 1,200 jobs of which 51 percent would be made available to low- and moderate-income persons. Pursuant to Housing and Urban Development's requirements, the County pledged its future Block Grant entitlement grant awards as collateral for the repayment of the Section 108 loan.

Based on the pledge of the County's Block Grant allocation, the eligibility requirements for projects to be funded through the Targeted Urban Areas revolving loan fund program was designed to limit the County's participation under the program to the most appropriate and viable projects in need of "gap" financing. The County and Housing and Urban Development executed a contract on August 9, 2001, which governed the administration and underwriting requirements of all loans through the Fund program.

As a result of the \$40 million Section 108 Loan Commitment from Housing and Urban Development, a total of 15 businesses were assisted, including Peninsula Edison Plaza. A total of \$7.2 million was awarded by the County to Peninsula Edison Plaza, LLC (Peninsula) for the construction of a shopping center. Peninsula was the developer, property manager and owner of Peninsula Edison Plaza. Peninsula was also the tenant in the Ground Lease (Attachment 2) between Peninsula and Edison Marketplace Group, LLC (Edison), executed on November 22, 2004. The \$7.2 million that was awarded by the County to Peninsula was secured by a mortgage on the Ground Lease.

On February 1, 2012, Edison issued the first of two Notice of Defaults (Attachment 3) to Peninsula for failing to pay past due rent and to pay past due real estate taxes. Additionally, Peninsula defaulted on the County's Section 108 loan. More specifically, Peninsula (1) failed to pay all sums due under the mortgage and promissory note; (2) failed to pay all taxes due for 2008 and 2009 in the total amount of approximately \$366,356.07; and (3) failed to maintain property, general comprehensive liability, and rent insurance. Peninsula also defaulted under the construction loan agreement executed between Peninsula and the County dated January 31, 2006 because they failed to submit semi-annual financial statements for 2008 through 2011, and failed to demonstrate the creation of 206 jobs with at least 51 percent being held by persons of low- to moderate-income.

On March 7, 2012, the County notified Peninsula and Otis Pitts, Jr, as guarantor, of the events of default (Attachment 4) and demanded that they make the payments that were due or the County would foreclose on the mortgage. The following occurred thereafter:

- On March 20, 2012, the Board approved Resolution No. R-270-12 authorizing the County Mayor or the County Mayor's designee to expend up to \$400,000 in Empowerment Zone (EZ) program income to cover the delinquent property taxes and to authorize the County Mayor or the County Mayor's designee to take any other actions as authorized by the loan documents, to protect the County's interest as leasehold mortgagee in Edison Plaza.

- On March 29, 2012, Edison entered into an Extension and Stay Agreement for six months with the County to extend the cure period in order to allow sufficient time for the County to pay the past due real estate taxes and pay any and all real estate taxes and insurance premiums as they may come due or prevent any additional tax deed sales from occurring. The County also agreed to begin legal proceedings to foreclose on its mortgage with Peninsula.
- On April 5, 2012, the County filed a foreclosure action against Peninsula and requested the appointment of a receiver, who was eventually appointed by the court on May 9, 2012.
- On April 10, 2013, the court awarded a judgment in favor of the County in the amount of \$13,021,313.00.
- On May 15, 2013, the property was scheduled for public sale. However, there were no bidders at the sale. A certificate of sale was issued on May 20, 2013 by the County Clerk's Office.
- On June 21, 2013, the Department solicited a Request for Information (RFI) (Attachment 5) for Edison Marketplace. The Department received five responses.
- On July 10, 2013, the RFI closed and the Selection Committee met on July 11, 2013 to review the final highest and best offers. Upon receipt of final offers from all eight respondents, the Selection Committee recommended to the Board of County Commissioners PRC Investments and Management, LLC as the highest and best offer.

The approval of the item will allow the County to recoup \$7,160,000.00 of its investment in Edison Plaza and allow the County to pay back the Section 108 funds drawn for this project to Housing and Urban Development. Further, the sale of the leasehold interest is necessary and in the public interest to facilitate the growth and creation of business enterprises in Miami-Dade County as it will ensure that Edison Plaza continues to operate and provide services and jobs to residents of the area. If the Board does not approve the sale of the leasehold interest, PRC will remove its commitment and initial escrow deposit of \$780,000.00.

Attachments



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Russell Benford, Deputy Mayor



**MEMORANDUM**  
(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** September 4, 2013

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

**SUBJECT:** Agenda Item No. 8(K)(1)

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 Mayor'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(K)(1)  
9-4-13

RESOLUTION NO. \_\_\_\_\_

RESOLUTION AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO ENTER INTO A LEASEHOLD PURCHASE AND SALE AGREEMENT IN THE AMOUNT OF \$7,160,000.00 BETWEEN MIAMI-DADE COUNTY AND PRC INVESTMENTS AND MANAGEMENT, LLC FOR THE SALE OF THE COUNTY'S LEASEHOLD INTEREST IN PENINSULA EDISON PLAZA; AND AUTHORIZING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO TAKE ALL ACTION NECESSARY TO ACCOMPLISH THE SALE OF SAID LEASEHOLD INTEREST

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

**WHEREAS**, Miami-Dade County has a leasehold interest in the property located at 6261 N.W. 7<sup>th</sup> Avenue in Miami, Florida, District 3 (Folio #'s 01-3113-094-0020, 01-3113-094-0030 and 01-3113-094-0040) (hereinafter referred to as "the Property") by virtue of foreclosing on its leasehold mortgage; and

**WHEREAS**, the buildings and improvements to the Property were funded with United States Department of Housing and Urban Development Section 108 funds; and

**WHEREAS**, the leasehold mortgagor of the Property has defaulted on the Section 108 loan; and

**WHEREAS**, the County has foreclosed on its leasehold interest in the Property; and

**WHEREAS**, on May 15, 2013, the County's leasehold interest in the Property was up for public sale; and

**WHEREAS**, the public sale generated no bidders; and

**WHEREAS**, On July 11, 2013, Miami-Dade County completed a procurement process to solicit a Request for Information and PRC Investments and Management, LLC was the respondent with the highest and best offer; and

**WHEREAS**, the leasehold interest in the Property is not needed for County purposes; and

**WHEREAS**, it is in the best interest of the County to facilitate the sale of the leasehold interest in the Property to continue to improve the lives of the residents and the community as a whole by selling its interest to a buyer with commercial management experience; and

**WHEREAS**, the Board desires to approve the Plan for the purposes outlined in the memorandum from the County Mayor which accompanies this Resolution and is incorporated in this Resolution by reference,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:**

**Section 1.** The foregoing recitals are incorporated in this resolution and are approved.

**Section 2.** This Board hereby authorizes the County Mayor or the County Mayor's designee to enter into a Leasehold Purchase and Sale Agreement with PRC Investments and Management, LLC, in substantially the form attached; and further authorizes the County Mayor or the County Mayor's designee to take all actions necessary to accomplish the sale of leasehold interest in said Property.

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:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez

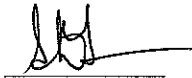
The Chairperson thereupon declared the resolution duly passed and adopted this 4<sup>th</sup> day  
of September, 2013. This resolution shall become effective ten (10) days after the date of its  
adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an  
override by this 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.



Shannon D. Summerset-Williams



**LEASEHOLD PURCHASE AND SALE AGREEMENT**

THIS LEASEHOLD PURCHASE AND SALE AGREEMENT (this "Agreement") is made and entered into as of July \_\_\_\_, 2013 (the "Effective Date") by and between PRC Investments and Management, LLC, a Florida limited liability company ("Buyer"), and Miami Dade County, a Political subdivision of the State of Florida acting through its Task Force in Urban Economic Revitalization c/o Miami-Dade County Attorney ("Seller"), with reference to the following facts:

A. Seller by virtue of a Certificate of Title issued on June 4, 2013 ("COT") is the owner of the leasehold interest of the lease attached hereto as Exhibit A (the "Lease"), which Lease relates to those certain premises located in Miami, Dade County, Florida, as more particularly described in the Lease (the "Leased Premises"). In addition to the Lease acquired under the COT, Seller also owns a leasehold interest of subleases entered into with the tenants currently in possession of the Leased Premises ("Sublease").

B. Subject to the terms and conditions of this Agreement, Seller desires to sell, transfer, convey and assign to Buyer, and Buyer desires to purchase, accept and assume from Seller, all of the right, title and interest of Seller in, to and under the "Property" (as defined in Section 1.1 below).

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants, agreements, representations and warranties herein contained, the parties hereby agree as follows:

1. Purchase and Sale of Assets:

1.1 Purchase of Assets. Upon the terms and subject to the conditions hereinafter set forth, at the "Closing" (as defined in Section 8.1 hereof), Seller shall sell, transfer, convey and assign to Buyer, and Buyer shall purchase from Seller, all right, title and interest of Seller (a) as tenant in, to and under the Lease and the subleases defined in paragraph A above (the "Leasehold Interest").

1.2 Assumed Liabilities. Effective as of the Closing Date, Buyer shall assume any future liabilities and obligations of Seller as tenant under the Lease which accrue on or after the Closing Date, said liabilities and obligations have heretofore been disclosed (the "Assumed Liabilities"). Except for the Assumed Liabilities and except as otherwise specifically set forth in any of the other "Transaction Documents" (as defined in Article 11), Buyer is not assuming any other liabilities or obligations of Seller including but not limited to, any monies owed to the Landlord under the Lease, if any. The obligations and covenants of Buyer set forth in this Section 1.2 and elsewhere in this Agreement shall survive the Closing indefinitely.

1.3 Assignment by Buyer. Subject to Section 7.1.1 below, Buyer shall have the right to assign its right to take title at Closing the Property to a wholly-owned direct or indirect subsidiary of Buyer (the "Buyer Sub"); provided, however, that no such

assignment shall relieve Buyer of its obligations under this Agreement (including, without limitation, Section 1.2 and Article 10 hereto) or any of the other "Transaction Documents" (as defined in Article 11). Buyer shall provide Seller with written notice of such election and the identity of the Buyer Sub at least two (2) days prior to the Closing Date.

2. Purchase Price.

2.1 Purchase Price. The purchase price for the Leasehold Interest shall be Seven Million One Hundred Sixty Thousand Dollars (\$7,160,000), which shall be subject to adjustment and reimbursement as hereinafter provided (the "Purchase Price"). Buyer shall pay the Purchase Price to Seller in full concurrently with the Closing by wire transfer of immediately available funds to an account or accounts designated by Seller or by Certified funds on the Closing Date.

2.2 Adjustments to Purchase Price. The Purchase Price shall be subject to adjustment at the Closing as follows:

2.2.1 Prepaid Expenses, Prorations and Deposits. The Purchase Price shall be increased or decreased as required to effectuate the proration of expenses and receipts (other than those adjusted pursuant to Section 2.2.2), including any prepaid expenses and receipts, if any, under the Lease and the Sublease to be borne pursuant to this Agreement by Seller including but not limited to, monies owed to the Landlord under the Lease, if any, prior to the Closing Date and by Buyer on or after the Closing Date. Without limiting the generality of the foregoing, all expenses incurred by the tenant under the Lease, including, without limitation, rent (other than "Percentage Rent" (as defined in Section 2.2.2 below)), utility charges, insurance charges, common area operating expenses, real, excise and personal property "Taxes" (as defined in Article II) and assessments levied against the Leased Premises, promotional fund expenses, use Taxes, deposits under the Lease or the Sublease, and similar prepaid and deferred items, in each case to the extent relating to the Lease or the Sublease, shall be prorated between Buyer and Seller in accordance with the principle that Seller shall be responsible for all expenses, costs, and liabilities, and shall be entitled to all receipts, allocable to the period ending prior to the Closing Date, and Buyer shall be responsible for all expenses, costs, liabilities and obligations, and shall be entitled to all receipts, allocable to the period on or after the Closing Date.

2.2.2 Manner of Determining Adjustments. The Purchase Price, taking into account the adjustments and prorations pursuant to this Section, will be determined finally in accordance with the following procedures:

2.2.2.1 Seller shall prepare and deliver to Buyer not later than five (5) Business Days before the Closing Date an itemized preliminary settlement statement (the "Preliminary Settlement Statement") which shall set forth Seller's good faith estimate of the adjustments to the Purchase Price in accordance with Section 2.2.1 hereof.

2.2.2.2 If Seller and Buyer have not agreed upon a final settlement statement

on or before the Closing Date, then Seller and Buyer shall cooperate in good faith to finalize such settlement statement as soon as practicable after the Closing; provided, however, the parties shall use such Seller's good faith estimated adjustments to the Purchase Price as set forth in the Preliminary Settlement Statement delivered pursuant to Section 2.2.2.1 above for purposes of determining the amount of any estimated adjustment to the Purchase Price paid by Buyer to Seller at Closing. If Seller and Buyer have not agreed upon a final settlement statement on or before the Closing Date, not later than sixty (60) days after the Closing Date, Buyer shall deliver to Seller a statement (the "Buyer Adjustment Statement") setting forth, in reasonable detail, its determination of the adjustments to the Purchase Price and the calculation thereof and reminding Seller of the thirty (30) day response period set forth in Section 2.2.2.3. If Buyer fails to deliver the Buyer Adjustment Statement to Seller within the sixty (60) day period specified in the preceding sentence, Seller's determination of the adjustments to the Purchase Price as set forth in the Preliminary Settlement Statement shall be conclusive and binding on the parties as of the last day of the sixty (60) day period.

2.2.2.3 If Seller disputes Buyer's determination of the adjustments to the Purchase Price, it shall deliver to Buyer a statement notifying Buyer of such dispute within thirty (30) days after its receipt of the Buyer Adjustment Statement. If Seller notifies Buyer of its acceptance of the Buyer Adjustment Statement, or if Seller fails to deliver its statement within the thirty (30) day period specified in the preceding sentence, Buyer's determination of the adjustments to the Purchase Price as set forth in the Buyer Adjustment Statement shall be conclusive and binding on the parties as of the earlier of the date of notification of such acceptance or the last day of the thirty (30) day period, and the appropriate party shall promptly pay to the other party in immediately available funds the amount of any such adjustment.

2.2.2.4 Seller and Buyer shall use good faith efforts to resolve any dispute involving the determination of any adjustments to the Purchase Price, and each party shall afford the other party and its representatives reasonable access to all appropriate books, records and statements relating to the subject matter of the adjustments to the Purchase Price contemplated by this Section 2.2 for such purpose. If the parties are unable to resolve the dispute within sixty (60) days after Buyer delivers the Buyer Adjustment Statement to Seller, Seller and Buyer jointly shall designate an independent accounting firm that has consistent and recent experience in real property matters similar to those involving the Property (the "Designated Arbitrator") to resolve the dispute. If, for any reason, the parties are unable to agree upon the Designated Arbitrator within seventy-five (75) days after Buyer delivers the Buyer Adjustment Statement to Seller, or the Designated Arbitrator fails or refuses to accept such engagement within fifteen (15) days after the parties' written request therefore, Seller and Buyer shall jointly designate The law offices of Michael Rosenbaum (the "Replacement Arbitrator") to resolve the dispute. If the Replacement Arbitrator fails or refuses to accept such engagement, in either case within fifteen (15) days after the parties' written request therefore, either Seller or Buyer may thereafter petition the Circuit Court of Dade County, Florida for the appointment of an independent accounting firm to act as the Replacement Arbitrator and resolve the dispute. Absent fraud or manifest error, (a) the Designated Arbitrator's or Replacement Arbitrator's, as applicable, resolution of the dispute shall be final and binding on the parties, (b) subject to Section 2.3, the appropriate party shall promptly pay to the other party in immediately available funds the amount of any such adjustment, and (c) a judgment may be entered in any court of competent

jurisdiction if such amount is not so paid. Any fees and costs of the Designated Arbitrator or Replacement Arbitrator shall be split equally between the parties.

2.3 Payment of Adjustments to and Reimbursements of the Purchase Price. If, pursuant to Section 2.2, it is determined after the Closing Date that Buyer shall be obligated to pay any amounts to Seller, then Buyer shall make such payments in full to Seller within ten (10) days after such amount is finally determined to be due. Conversely, if, pursuant to Section 2.2, it is determined after the Closing Date that Seller shall be obligated to pay any amounts to Buyer, then Seller shall make such payments in full to Buyer within ten (10) days after such amount is finally determined to be due.

2.4 Late Interest. If any amount payable pursuant to the provisions of this Article 2 is not paid within ten (10) days after such amount is finally determined to be due, such amount shall thereafter accrue interest until paid in full at an annual rate equal to the lesser of the "prime" interest rate as announced by *The Wall Street Journal* from time to time during such period plus 2%, or the maximum interest rate permitted by applicable law.

2.5 Survival. The parties' respective obligations under this Article 2 shall survive the Closing.

### 3. Representations and Warranties of Seller.

3.1 Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows:

3.1.1 Organization. Seller is a MUNICIPALITY. Seller has all requisite power to own, lease and license its properties and assets and to carry on its business in the manner and in the places where such properties and assets are owned, leased, licensed or operated or such business is conducted.

3.1.2 Authority. Subject to the terms of any consent provisions of the Lease, Seller has full right, power and authority to enter into this Agreement and to perform its obligations hereunder. The entry into and performance of this Agreement have been duly authorized by all necessary action on the part of Seller in accordance with its governing documents and applicable law. This Agreement constitutes, and each other document, instrument and agreement to be entered into by Seller pursuant to the terms of this Agreement will constitute, a valid agreement binding upon and enforceable against Seller in accordance with its terms (except as limited by bankruptcy or similar laws or the availability of equitable remedies).

3.1.3 Consents. The execution, delivery and performance by Seller of this Agreement, and all other agreements, instruments or documents referred to herein or contemplated hereby, do not require the consent, waiver, approval, license or authorization of any Person or public authority which has not been obtained or provided for in this Agreement and do not and will not contravene or violate (with or without the giving of notice or the passage of time or both), the governing documents of Seller, any other contract or agreement to which Seller is a party or by which Seller is bound or any judgment, injunction, order, law, rule or regulation applicable to Seller.

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Seller is not a party to, or subject to or bound by, any judgment, injunction or decree of any court or governmental authority which may restrict or interfere with the performance of this Agreement, or such other agreements, instruments and documents.

3.1.4 The Lease and the Subleases Exhibit A sets forth a true, complete and accurate description of the Lease (including all amendments, extensions, renewals, ground or master lessor consents, and existing non-disturbance and attornment agreements with respect thereto), and Exhibit B sets forth a true, complete and accurate description of the Subleases (including all amendments, extensions, renewals, ground or master lessor consents, and existing non-disturbance and attornment agreements with respect thereto). Subject to the terms of the Lease and the Subleases, Seller has, and on the Closing Date will have, a valid leasehold interest in the Lease free and clear of any "Liens" (as defined in Article II) other than (a) "Permitted Exceptions" (as defined in this Agreement), (b) so-called "non-monetary" Liens, including, without limitation, any ground or underlying leases, easements, parking agreements, reciprocal easement agreements, conditions, covenants and restrictions, restrictive covenants, development or similar agreements, zoning limitations and other restrictions imposed by any "Governmental Authority", or any other matter which a survey of the Leased Premises or a review of the public records regarding the Leased Property would show, whether created by or in the name of Seller or any other party, or (c) any other Liens, whether "monetary" or "non-monetary" Liens, created by or in the name of any Person other than Seller or any "Affiliate" of Seller, including, without limitation, by any fee owner or ground lessor under the Lease. True, complete and accurate copies of the Lease and the Subleases have been delivered or otherwise made available to Buyer through Seller's agent, and such Lease and Subleases set forth the entire agreement and understanding between the parties thereto with respect to the leasing and occupancy (or, as applicable, subleasing and occupancy) of the Leased Premises. The Lease and the Subleases are each in full force and effect against Seller and are valid and binding against Seller and, to Seller's Knowledge, the applicable landlord or subtenants thereunder. Neither Seller nor, to Seller's Knowledge, the landlord under the Lease or Pacific under the Sublease is in default under the Lease or the Subleases, as applicable, nor has any event occurred or failed to occur or any action been taken or not taken which, with the giving of notice, the passage of time or both would mature into or otherwise become a default under the Sublease or the Lease by Seller or, to Seller's Knowledge, the landlord. The landlord under the Lease is not an Affiliate of Seller. Except for the Subleases, Seller has not subleased, licensed or otherwise granted any "Person" (as such term is defined in Article II) the right to use or occupy the Leased Premises or any portion thereof and, except for the Subleases, Seller is in exclusive possession of the Leased Premises. To Seller's Knowledge, there is no pending or threatened condemnation of any part of any Leased Premises by any "Governmental Authority" (as such term is defined in Article II).

3.1.5 Litigation. To Seller's Knowledge, there are no actions, suits, claims, proceedings, hearings, disputes or investigations currently pending or threatened in writing at any time after January 1, 2005, before any Governmental Authority or that would come before any arbitrator, brought by or against Seller involving, affecting or relating to the Property, including, without limitation, any labor, employment or Tax-related actions, suits, claims, proceedings, hearings, disputes or

investigations. Seller is not subject to any order, writ, assessments, judgment, award, injunction or decree of any Governmental Authority relating to the Property.

3.1.6. Certain Tax Matters. Seller is not a "foreign person" within the meaning of Code Section 1445(f) or a "foreign partner" within the meaning of Code Section 1446. No part of the Property is "tax-exempt use property" within the meaning of Code Section 168(h).

3.1.7. Affiliate Transactions. Except for the Subleases, (a) Seller is not a party to any contract or arrangement with, or indebted, either directly or indirectly, to any of its Affiliates in connection with any part of the Property, and (b) none of Seller's Affiliates own any asset, tangible or intangible, which is used in and material to the operation of any part of the Property.

3.1.8. Brokerage. Buyer and Seller hereby represent and warrant that they have not hired, retained or dealt with any broker, finder, consultant, person, firm or corporation in connection with the negotiation, execution or delivery of this Agreement or the transactions contemplated hereunder other than Mercedes Martin Realty, LLC. Buyer and Seller agree to use Mercedes Martin Realty, LLC as a transaction broker for this transaction. Additionally, Buyer agrees to pay said brokerage firm, \$100,000 as brokerage commission pursuant to a separate agreement made between Buyer and Broker. Further, Mercedes Martin Realty, LLC is seeking compensation from the Seller pursuant to the initial Letter of Intent and Leasehold Purchase Agreement submitted to the Seller in May, 2013. The Seller has agreed to pay Mercedes Martin Realty, LLC.

3.1.9. Development Projects. Neither Seller nor any Affiliate of Seller is bound by any agreement or commitment regarding the development, construction or operation of any proposed development that is currently contemplated

3.2. Knowledge. Where any representation or warranty contained in this Agreement is expressly qualified by reference "to Seller's Knowledge," "to the Knowledge of Seller," or any similar language, it refers to the actual knowledge of Craig Clay and/or any representative(s) of Seller.

3.3. "As Is" Purchase. BUYER ACKNOWLEDGES THAT AS A MATERIAL CONDITION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, BUYER IS ACQUIRING THE PROPERTY ON AN "AS IS" AS TO THE PHYSICAL CONDITION OF THE PROPERTY.

3.4. Updating of Schedules. Seller shall, from time to time, prior to the Closing, update the Schedules to this Agreement, or create any new schedules revising its representations and warranties, if after the Effective Date Seller learns of new exceptions to the representations and warranties set forth in this Agreement (together, the "Updated Schedules"), and promptly deliver such Updated Schedules to Buyer. If any Updated Schedule reflects or describes a "Material Adverse Effect" (as defined in Article II) from the conditions previously described in the representations and warranties, then Buyer may, at its option, upon written notice thereof to Seller, within two (2) Business Days of Buyer's receipt of an Updated Schedule, terminate this Agreement upon notice to Seller. If Seller's representations and warranties were true and correct when made, then Buyer's

sole remedy in the event of the receipt of an Updated Schedule shall be to terminate this Agreement in accordance with the foregoing sentence (or to proceed with the Closing). If the then scheduled Closing Date would occur prior to the end of the two (2) Business Days period set forth in this Section 3.5, the delivery of any Updated Schedule shall postpone the Closing Date to the date which is ten (10) Business Days after Buyer's receipt of the Updated Schedule.

4. Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as follows:

4.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Florida. Buyer has all requisite power to own, lease and license its properties and assets and to carry on its business in the manner and in the places where such properties and assets are owned, leased, licensed or operated or such business is conducted.

4.2 Authority. Buyer has full right, power and authority to enter into this Agreement and to perform its obligations hereunder. The entry into and performance of this Agreement has been duly authorized by all necessary action on the part of Buyer in accordance with its governing documents and applicable law, and this Agreement constitutes, and each other document, instrument and agreement to be entered into by Buyer pursuant to the terms of this Agreement will constitute, a valid agreement binding upon and enforceable against Buyer in accordance with its terms (except as limited by bankruptcy or similar laws or the availability of equitable remedies).

4.3 Consents. The execution, delivery and performance by Buyer of this Agreement, and all other agreements, instruments and documents referred to or contemplated herein or therein do not require the consent, waiver, approval, license or authorization of any Person (other than the landlord under the Lease and any lenders having Liens on the Leased Premises) or public authority which has not been obtained and do not and will not contravene or violate (with or without the giving of notice or the passage of time or both) the governing documents of Buyer or any judgment, injunction, order, law, rule or regulation applicable to Buyer. Buyer is not a party to, or subject to or bound by, any judgment, injunction or decree of any court or Governmental Authority or any lease, agreement, instrument or document which may restrict or interfere with the performance by Buyer of this Agreement, or such other leases, agreements, instruments and documents.

4.4 Financial Condition. Buyer is a newly formed entity, created for the purpose of effectuating the transactions contemplated by this Agreement

4.5 Brokerage. Buyer has employed Mercedes Martin Realty and Fortune Realty as brokers.

5. Conditions Precedent to Buyer's Obligations. Buyer's obligations under this Agreement are subject to the fulfillment of each of the conditions set forth in this Article 5 at or before the Closing, subject, however, to the right of Buyer to waive any one or more of such conditions in whole or in part (provided that no such waiver shall be implied or binding upon Buyer unless given in writing).

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7

5.1 Performance by Seller. Seller shall have timely performed and complied with in all material respects all agreements and conditions required by this Agreement to be performed and complied with by Seller on or prior to the Closing Date, including, without limitation, delivery to Buyer of the "Seller Deliveries" (as defined in Section 9.3 below) in accordance with Section 8.3 below.

5.2 Accuracy of Representation and Warranties. The representations and warranties herein of Seller shall be true and correct in all material respects as of the Closing Date (except to the extent any such representation or warranty is qualified by materiality, in which case such representation or warranty shall be true in all respects).

5.3 No Injunctions. No order shall have been entered in any action or proceeding before any Governmental Authority, and no preliminary or permanent injunction by any court of competent jurisdiction shall have been issued and remain in effect, which would have the effect of making the consummation of the transactions contemplated by this Agreement illegal; provided, however, that if any such action, proceeding or injunction exists as a result of the wrongful action or omission to act of Buyer or any of Buyer's Affiliates, the same shall be an event of default by Buyer under this Agreement.

5.4 HSRA Act. All required filings under Section 7A of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), shall have been completed and all applicable time limitations under the HSR Act shall have expired without a request for further information by the relevant federal authorities under such Act, or in the event of such a request for further information, the expiration of all applicable time limitations under the HSR Act shall have occurred without the objection of such federal authorities.

6. Conditions Precedent to Seller's Obligations. Seller's obligations under this Agreement are subject to the fulfillment of each of the conditions set forth below in this Article 6 at or before the Closing, subject, however to the right of Seller to waive any one or more such conditions in whole or in part (provided that no such waiver shall be implied or binding upon Seller unless given in writing).

6.1 Performance by Buyer. Buyer shall have timely performed and complied with in all material respects all agreements and conditions required by this Agreement to be performed and complied with by Buyer on or prior to the Closing Date, including, without limitation, delivery to Seller of the "Buyer Deliveries" (as defined in Section 9.2 below) in accordance with Section 8.2 below.

6.2 Accuracy of Representations and Warranties. The representations and warranties herein of Buyer shall be true and correct in all material respects as of the Closing Date (except to the extent any such representation or warranty is qualified by materiality, in which case such representation or warranty shall be true in all respects).

6.3 No Injunctions. No order shall have been entered in any action or proceeding before any Governmental Authority, and no preliminary or permanent injunction by any court of competent jurisdiction shall have been issued and remain in



effect, which would have the effect of making the consummation of the transactions contemplated by this Agreement illegal; provided, however, that if any such action, proceeding or injunction exists as a result of the wrongful action or omission to act of Seller or any of Seller's Affiliates, the same shall be an event of default by Seller under this Agreement.

6.4 HSR Act. All required filings under Section 7A of the HSR Act shall have been completed and all applicable time limitations under the HSR Act shall have expired without a request for further information by the relevant federal authorities under such Act, or in the event of such a request for further information, the expiration of all applicable time limitations under the HSR Act shall have occurred without the objection of such federal authorities.

## 7. Covenants.

### 7.1 Commercially Reasonable Efforts.

7.1.1 Upon the terms and subject to the conditions of this Agreement, the parties hereto will use commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable consistent with applicable law to consummate and make effective in the most expeditious manner practicable the transactions contemplated by the Transaction Documents, including, without limitation, obtaining any authorizations, consents, orders or approvals of any Person or Governmental Authority that may be or become necessary in connection with the execution, delivery or performance of a party's obligations hereunder. Notwithstanding the foregoing, neither Seller nor Buyer shall be required to pay consideration or grant any rights, guarantee or concession to any third party or to modify in any material manner the terms of the Lease in order to obtain any such consent or approval or any such release; provided, however, that if Buyer elects to cause a Buyer Sub to take an assignment of any of Seller's right, title or interest under, or assume any of Seller's obligations under, the Lease, and the landlord's consent is required under any such Lease, Buyer shall offer to provide a guarantee to the landlord of all of such assumed obligations concurrently with Seller's initial submission to such landlord of request for such consent.

7.1.2 Buyer shall use its commercially reasonable efforts and Seller shall use its commercially reasonable efforts to cooperate fully to obtain promptly all such authorizations, consents, orders and approvals required to be obtained in connection with the transactions contemplated hereby. Without limiting the generality of the foregoing, to the extent such filing is required by the HSR Act, Seller and Buyer agree that each shall prepare and file a notification and report form pursuant to the HSR Act as soon as practicable after the Effective Date, but in no event later than ten (10) days after the Effective Date. If a filing is made under the HSR Act, Seller and Buyer each also agree to request early termination in such filing and respond with reasonable diligence and dispatch to any request for additional information made in response to such filing. All filing fees associated with complying with the HSR Act shall be borne 50% by Seller and 50% by Buyer.

7.1.3 Notwithstanding the provisions of Section 7.1.2, with respect to

the assignment of the Lease from Seller to Buyer, Seller, at its cost and expense, shall use its commercially reasonable efforts, and Buyer, at its cost and expense, shall use its commercially reasonable efforts to cooperate fully with Seller:

(a) to obtain promptly from the landlord under the Lease and all other appropriate parties any consent required to be obtained in connection with (i) such assignment and (ii) the grant to the lenders under the Financing of Liens on the tenant's interest in the Lease and other consents, estoppels and approvals required as conditions precedent to the closing of the Financing (collectively, the "Leasehold Mortgages"); provided, however, that Buyer shall bear any expenses attributable to obtaining the Leasehold Mortgages. In connection therewith, Buyer agrees promptly to provide all financial and other information and background materials regarding Buyer, its Affiliates and their respective senior management, and such lenders, which the landlord or any other appropriate party under the Lease may reasonably request in connection with such party's evaluation of Seller's request for consent to any such assignment or grant of any such Leasehold Mortgage. Buyer also agrees to make its and its Affiliates' senior management reasonably available to such parties for this purpose. Buyer hereby acknowledges that, in those cases where no party's consent is required for the assignment of the Lease to Buyer or to the grant to the lenders under the Financing of a Leasehold Mortgage with respect to such Lease, Seller may elect to send notices to the landlord and/or all other appropriate parties, rather than requests for consents, which notices describe the transaction contemplated by this Agreement, and some of which notices seek the "acknowledgment" of such landlord and such other parties to the assignment of the Lease; and (b) to obtain releases of Seller's and its Affiliates'

With respect to the matters described in this Section 7.1.3, Seller may elect at any time to shift to Buyer primary responsibility for obtaining the consents and agreements under this Section by so notifying Buyer in writing. Thereafter, Buyer shall, at Seller's expense as provided above, use its commercially reasonable efforts to accomplish the matters described in this Section, and Seller shall use its commercially reasonable efforts to cooperate fully with Buyer. The parties agree that, if the landlord or any other party is presented with a combined request to consent to the assignment of the Leasehold Interest hereunder and the grant of a Leasehold Mortgage with respect to such Leasehold Interest refuses, without explanation, to provide the consents requested, or it is not otherwise reasonably apparent from such party's response to such combined request whether such landlord would have consented to the assignment of the Leasehold Interest if such request had not been accompanied by a request for a Leasehold Mortgage; it shall be presumed that such refusal was attributable only to the request for consent to the Leasehold Mortgage for purposes of determining whether the condition precedent set forth in Section 5.4 of the Asset Purchase Agreement has been satisfied; provided, however, that Buyer shall be entitled to rebut such presumption by requiring Seller to present to such party a separate request for consent to assignment of the Leasehold Interest only, and if such party fails for any reason to provide such consent to assignment it shall be deemed a failure of the condition precedent set forth in Section 5.4 of the Asset Purchase Agreement.

7.2 Access to Properties and Records. From and after the Effective Date through the Closing Date or the earlier termination of this Agreement, Seller shall

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10

afford to Buyer, and to the accountants, counsel and representatives of the Buyer, upon reasonable prior notice, reasonable access during normal business hours throughout the period prior to the Closing to the Leased Premises and, during such period, shall furnish promptly to Buyer all other information concerning the Property and its personnel as such parties may reasonably request. Notwithstanding anything in this Section to the contrary, no access pursuant to this Section 7.2 shall unreasonably interfere with Seller's conduct of its business at the Leased Premises. Buyer shall notify Seller in writing of any material breach of this provision known to it and shall afford Seller a reasonable opportunity to cure any such breach.

7.3 Seller's Operations Prior to the Closing. From and after the Effective Date until the Closing, Seller (a) shall not sell, transfer, assign, dispose of or grant any Lien on, or permit to be sold, transferred, assigned, disposed of or encumbered, all or any material part of the Property as the same shall be constituted on the Effective Date, except to the extent that any such Lien will be removed at or prior to the Closing; (b) shall not enter into any lease, contract or commitment or incur any liabilities or obligations in connection with the Property, except for leases, contracts, commitments, liabilities or obligations that will not bind Buyer or the Property after the Closing; (c) shall not release, waive or compromise any of its rights with respect to, the Lease without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed to the extent such proposed action occurs in the ordinary course of its business consistent with past practice and which is reasonably expected to be without Material Adverse Effect upon the value or utility of the Property; and (d) shall not, directly or indirectly, destroy or otherwise dispose of any books, records or files relating to the Lease or the Property, other than in the ordinary course of business, generally consistent with past practice.

#### 7.4 Cooperation.

7.4.1 Generally. Each party shall provide the other with such cooperation as may reasonably be requested, at the expense of the requesting party (unless the requesting party is to be indemnified with respect thereto, in which case such cooperation shall be given at the expense of the indemnifying party), in connection with the defense of any third party litigation relating to the subject matter of this Agreement. Additionally, Seller shall make available to Buyer's independent accountants such information and documentation regarding the Property to the extent such information and documentation is reasonably required, and allow Buyer's independent accountants to make and retain copies of such information and documentation, provided that (a) such information and documentation is then in the possession or control of Seller or Seller's Affiliates, and (b) so long as Buyer's independent accountant does not require that such information or documentation be obtained directly from Seller, such information and documentation is not otherwise in the possession or control of Buyer, any of Buyer's Affiliates or such independent accountant, or is not otherwise reasonably available from another source to Buyer or such independent accountant. Seller also agrees to make its and its Affiliates' senior management reasonably available to Buyer and its accountants for this purpose.

7.5 Delivery of Information; Delivery of Mail and Assets; Collection of Accounts Receivable. After the Closing Date, each of the parties hereto shall cause

their personnel to provide the other party with financial accounting, Tax, and similar information reasonably necessary to prepare Tax returns and other filings relating to the Lease and to finalize the proration and adjustments called for by Section 2.2 hereof. Seller agrees that it will promptly deliver to Buyer any mail or other communications received by Seller on or after the Closing Date pertaining to the Property and any cash, checks or other instruments of payment to which Seller is not entitled. Buyer agrees that it will promptly deliver to Seller any mail or other communications received by Buyer on or after the Closing Date pertaining to Seller's operations, properties or other affairs of Seller, any cash, checks or other instruments of payment to which Buyer is not entitled, and any other assets or properties of Seller.

#### 7.6 Post-Closing Covenants of Buyer.

7.6.1 Maintenance of Insurance. Buyer agrees that from and after the Closing Date, Buyer shall at all times maintain in complete force and effect, in accordance with the requirements of the Lease, all policies of insurance required by the Lease to be maintained by the tenant. Buyer shall deliver to Seller executed copies of certificates of insurance evidencing the foregoing on the Closing Date. New certificates shall be delivered promptly whenever policies are renewed or new policies are written. As often as any such policy shall expire or be terminated, a renewal or additional policy shall be procured and maintained by Buyer in like manner and to like extent, and new certificates thereof shall be delivered to Seller. All policies of insurance maintained by Buyer pursuant to the requirements of the Lease shall contain a provision that the company issuing said policy will give Seller not less than ten (10) days' notice in writing in advance of any cancellation or lapse of the effective date or any reduction in the amounts of insurance. In the event that Buyer fails to comply with any of the requirements of this Section 7.6.1, and Buyer fails to cure such non-compliance within ten (10) days of delivery of notice thereof from Seller, Seller may obtain any and all policies of insurance required to comply with tenant's obligations under the Lease, and Buyer shall immediately pay to Seller any and all costs reasonably incurred by Seller in connection with obtaining and maintaining such insurance.

7.7 Destruction of Books, Records and Files. If, after the Closing, Seller or any of its Affiliates proposes to destroy or otherwise dispose of any books, records or files relating to the Property (but not including any financial reports or other information regarding the Property to the extent such financial reports or other information is integrated into financial reports, or other information regarding the operations generally of Seller or such Affiliate), Seller shall deliver prior notice thereof to Buyer and Buyer shall have a period of sixty (60) days from receipt of such notice to deliver notice to Seller of its desire to take possession of such books, records or files, in which event Seller shall deliver to Buyer possession of such books, records or files at the earliest practicable date. Seller shall not destroy or otherwise dispose of such books, records or files prior to the end of such sixty (60) day period.

#### 8. Closing.

8.1 Closing Date. Subject to the satisfaction (or waiver by Buyer or Seller as provided therein) of the conditions precedent in Articles 5 and 6 hereof, the transactions contemplated by this Agreement shall be consummated at closing (the

"Closing") at the offices of Lisette M. Blanco, P.A., 6625 Miami Lakes Drive, Miami Lakes, Florida 33014 ("The Title Company") within thirty (30) days from the date hereof or sooner (the "Scheduled Closing Date"). In addition to all other conditions set forth herein, the obligation of Buyer to consummate the transaction described herein is conditional upon the following: (a) Seller's representations and warranties contained herein shall be true and correct in all material respects as of the date hereof and as of the Closing Date; (b) As of the Closing Date, there shall exist no pending actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings against or directly relating to the Premises or against Seller with respect to its authority or ability to sell the Premises in accordance with this Agreement; (c) The Title Company shall provide Buyer with a policy of title insurance, or the unconditional commitment of the Title Company to issue the same, in the full amount of the Purchase Price, effective as of the Closing Date, insuring a leasehold interest in the Premises identified in the Exhibits attached hereto in Buyer, subject to only the Permitted Exceptions (as hereinafter defined).

8.2 Payment of Purchase Price. Buyer shall pay at closing, available funds in an amount equal to the Purchase Price paid by Buyer to Seller.

8.2.1 "Permitted Exceptions" means the following Liens: (a) Liens for Taxes, assessments or other governmental charges or levies not yet due and payable; and (b) statutory Liens of landlords and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by Law and on a basis consistent with past practice for amounts not yet due; (c) Any and all present and future laws, regulations, restrictions, requirements, ordinances, resolutions and orders affecting the Premises, including, without limitation, any laws relating to zoning, building, environmental protection and the use and occupancy of the Premises, provided same do not (i) prohibit the continued use and occupancy of the Premises for the purposes for which the Premises are presently being used and occupied, or (ii) render title to the leasehold interest in the Premises uninsurable at regular rates without the payment of additional premium; (d) Grants made prior to the date hereof of licenses or easements or other rights in favor of any public or private utility company or governmental entity for, or pertaining to, utilities, sewers, water mains or drainage, provided the same are recorded of record as of the date hereof, and provided further that same do not render title to the leasehold interest in the Premises uninsurable at regular rates without the payment of additional premiums; (e) Any state of facts or physical condition which a current accurate survey would disclose, provided same does not render title to the leasehold interest in the Premises unmarketable or uninsurable at regular rates without the payment of additional premiums; (f) Any other matters that would constitute Objections to which the Title Company certifies that it will insure title to the leasehold interest in the Premises free of such Objections, at regular rates without the payment of additional premiums; (g) The standard printed limitations on the jacket of the title insurance commitment issued by the Title Company, provided that Seller delivers a typical title affidavit as to parties in possession, work performed at the Premises, etc.; (h) Consents of record by the Seller or any former owner of the Premises for the erection of any structure or structures on, under or above any street or streets on which the Premises may abut if applicable; (i) Unpaid installments of assessments not due and payable on or before the Closing Date if applicable; (j) Financing statements filed more than 5 years prior to the Closing Date and not renewed, or filed against property or equipment no longer located on the Premises; (k) Rights of utility companies to lay, maintain, install and repair pipes, lines,

335026V2

13

poles, conduits, cable boxes and related equipment on, over and under the Premises, provided that none of such rights imposes any monetary obligation on the owner of the Premises.

### 8.3: State of Title; Objections

8.3.1 Buyer, at Buyer's sole cost and expense, will order a title report for the Premises from The Title Company authorized to conduct business in the State of Florida. The Title Company shall be given instructions to provide a copy of the title report and all searches made in connection therewith, to the Seller or the attorney for Seller. A copy of the title report delivered to the Seller or the Seller's attorney shall constitute Buyer providing notice of title defects to the Seller on the matters set forth therein which are not Permitted Exceptions.

8.3.2 If Seller either is unable to convey title to the Premises in accordance with the provisions of this Agreement, or does not elect to remedy any Objection(s), subject to Seller's obligation to remedy all Mandatory Cure Items (as hereinafter defined), Seller shall promptly so notify Buyer in writing, and Buyer shall have the right to elect either (a) to accept such title as Seller is able to convey, with a reduction of the Purchase Price or any other credit or abatement on account thereof as the parties may agree or (b) to terminate this Agreement and receive a refund of the Down payment. Buyer shall make its election between clauses (a) and (b) of the immediately preceding sentence by written notice to Seller given not later than the tenth (10th) business day after Seller gives written notice to Buyer of its inability or unwillingness to remove any Objection(s). If Buyer shall fail to give such notice as aforesaid, then Buyer shall be deemed to have elected the option in clause (b) above. Notwithstanding the foregoing provisions of this Article 5, Seller shall, at or before the Closing, at Seller's sole cost and expense, remove of record or cause the Title Company to omit from Buyer's title policy all Mandatory Cure Items. The term Mandatory Cure Items, as used herein, shall mean all (i) liens encumbering the Premises, including, but not limited to, judgments and federal, state and municipal tax liens (including the preparation or filing of appropriate satisfaction instruments in connection therewith); and (ii) Voluntary Liens (as hereinafter defined). The term Voluntary Liens, as used herein, shall mean liens and other encumbrances which Seller has knowingly and intentionally placed on the Premises, or which are shown on the Title Report or title continuations, or with respect to which Seller has taken an affirmative action that results in the placement of same against the Premises, including, without limitation, any and all (i) mechanics' liens and/or materials relating to work performed or alleged to be performed at the Premises; and (ii) mortgages recorded against the Premises. If Seller has not caused all Mandatory Cure Items to be removed of record as of the Closing, Buyer may terminate this agreement without penalty and receive reimbursement immediately of the monies placed in escrow.

8.3.3 Notwithstanding anything to the contrary contained herein, Seller shall have the obligation to use Seller's commercially reasonable efforts to remedy any and all Objections which are not Mandatory Cure Items prior to the Closing Date. In the event Seller shall be unable (as opposed to unwilling) to remedy such Objections prior to the Closing Date (other than the Mandatory Cure Items which Seller is obligated to satisfy or discharge, Seller shall be entitled to one (1) or more adjournments of the Scheduled Closing Date for an aggregate period not to exceed ninety (90) days if Buyer agrees to same. Buyer's obligations under this Agreement shall remain in full force and effect during any agreed adjournment period. If Seller fails to remedy any Objection(s) other than the Mandatory Cure Items prior to the date which is ninety (90) days after the Scheduled Closing Date, then Buyer may elect, in Buyer's sole and absolute discretion, to allow Seller an additional thirty (30) days to remedy the Objection(s) (the "Objection Extension Period"), in which event Seller shall use Seller's commercially reasonable efforts (and shall keep Buyer and The Title Company apprised in writing of Seller's progress) to remedy such Objection(s) prior to the expiration of the Objection Extension Period. If Buyer does not grant the

Objection Extension Period or, in the event that Seller is unable (as opposed to unwilling) to remedy the Objections prior to the termination of the Objection Extension Period (if so granted by Purchaser), then the Seller shall be deemed to have elected not to remedy any Objection(s), other than the Mandatory Cure Items.

8.3.4 Condition of the Premises: Except as expressly provided to the contrary herein, the Premises are as of the date of this Agreement, the Premises are being sold in "as is" "where is" condition.

8.3.5 Buyer shall have thirty (30) days from the effective date ("Inspection Period") within which to have inspections of the Premises performed as Buyer shall desire during the Inspection Period. If the Buyer determines at its sole discretion, that the Premises is not acceptable to the Buyer, Buyer may terminate this agreement by delivering written notice of such election to the Seller prior to the expiration of the Inspection Period. If the Buyer timely terminates this agreement, the Down payment shall be immediately returned to the Buyer thereupon, Buyer and Seller shall be released of all further obligations under this agreement.

8.4 Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller all of the following (collectively, the "Seller Deliveries").

8.4.1 Assignment and Assumption of Lease and Sublease. A duly executed and, where necessary, acknowledged counterparts of the Assignment and Assumption of Lease and Sublease by and between Buyer and Seller in substantially the form of Exhibit C attached hereto (the "Assignment and Assumption of Sublease").

8.4.2 Buyer's Closing Certificate. A duly executed certificate, dated as of the Closing Date, to the effect that the conditions have been satisfied in accordance with the terms and provisions hereof.

8.4.3 Additional Deliveries by Buyer. Such additional documents, instruments and agreements, signed and properly acknowledged by Buyer, if appropriate, as may be necessary to comply with Buyer's obligations under this Agreement (collectively, the "Buyer's Deliveries").

8.5 Deliveries by Seller. At the Closing, Seller shall deliver to Buyer all of the following (collectively, the "Seller Deliveries").

8.5.1 Assignment and Assumption of Lease and Sublease. Duly executed and, where necessary, acknowledged counterparts of the Assignment and Assumption of Lease and Sublease.

8.5.2 Seller's Closing Certificate. A duly executed certificate, dated as of the Closing Date, to the effect that the conditions have been satisfied in accordance with the terms and provisions hereof.

8.5.3 Additional Deliveries. Such additional documents, instruments and agreements, signed and properly acknowledged by Seller, if appropriate, as may be necessary to comply with Seller's obligations under this Agreement.

8.6 Closing Costs. Seller shall pay all documentary, transfer, excise or similar Taxes, if any, payable in connection with the transactions contemplated by this Agreement. Buyer and Seller shall each bear their own legal and accounting costs and fees.

8.7 Possession. Subject to the terms of the Sublease, possession of the Leased Premises shall be delivered to Buyer on the Closing Date; provided, however, that Seller shall deliver possession of all files for the Lease within five (5) Business Days after the Closing Date.

9. Termination. Notwithstanding anything to the contrary contained herein, this Agreement may be terminated at any time before the Closing (a) by mutual consent of Seller and Buyer; (b) by Buyer, upon written notice to Seller, if Seller has breached any representation, warranty, covenant or agreement, such breach has had, either individually or in the aggregate, a Material Adverse Effect, and such breach is either not capable of being cured prior to the Closing or, if such breach is capable of being cured, is not so cured within ten (10) days of notice by Buyer to Seller of such breach; or (c) by Seller, upon written notice to Buyer, if Buyer has breached any representation, warranty, covenant or agreement, and such breach is either not capable of being cured prior to the Closing or, if such breach is capable of being cured, is not so cured within ten (10) days of notice by Seller to Buyer of such breach. If this Agreement is terminated, this Agreement shall become null and void and have no further force or effect, and no party hereto (or any of such party's Affiliates, directors, officers, agents or representatives), shall have any liability or obligation hereunder; provided, however, that (i) the letter of intent dated as of May 10<sup>th</sup>, 2013 by and among Buyer and Seller shall remain in full force and effect, (ii) each party shall bear its own fees and expenses incurred in connection with the negotiation and documentation of this Agreement and the Transaction Documents, and (iii) notwithstanding the foregoing, but subject to the terms of Article 10 below, termination of this Agreement shall not release any party from any liability for any breach by such party of any of its representations, warranties, covenants or agreements contained in this Agreement prior to such termination.

10. Indemnification.

10.1 Indemnification by Buyer. Subject to the terms of this Article 10, Buyer shall indemnify and hold Seller, its Affiliates and their respective employees, officers, directors, members, managers, shareholders, agents, contractors, attorneys and representatives (collectively, the "Seller Indemnified Parties") harmless from and against, and agrees to promptly defend any Seller Indemnified Party from and reimburse any Seller Indemnified Party for, any and all any and all liabilities, demands, claims, actions, causes of action, costs, damages, deficiencies, Taxes, penalties, fines and other losses and expenses, whether or not arising out of a claim made by any third party, including all interest, penalties, reasonable attorneys' fees and expenses, and all amounts paid or incurred in connection with any action, demand, proceeding, investigation or claim by any third party (including any Governmental Authority) ("Losses") which such Seller Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:

10.1.1 any untruth or inaccuracy in any representation or warranty of Buyer or any Buyer Sub contained in this Agreement or in any other Transaction

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16



Document; provided, however, that for purposes of determining an untruth or inaccuracy in any such representation or warranty for purposes of this Section 10.1.1, the representations and warranties of Buyer that are limited or qualified by references to "material" or "materiality" or "Material Adverse Effect" or similar qualifications shall be construed as if they were not limited or qualified by such qualifications.

10.1.2 any failure of Buyer or any Buyer Sub duly to perform or observe any term, provision, covenant, agreement or condition contained in this Agreement or the other Transaction Documents to be performed or observed by Buyer or such Buyer Sub; or

10.1.3 any claim or cause of action by any party arising on or after the Closing Date against any Seller Indemnified Party (including, without limitation, any claim or cause of action arising from the failure to obtain any required consents or approvals, including, without limitation, consents or approvals from any party, to the assignment of the Lease to Buyer) with respect to the Property, the obligations of Seller assumed by Buyer or an Buyer Sub under this Agreement (including the Assumed Liabilities) or any of the other Transaction Documents, including any default by Buyer or any Buyer Sub under the Lease arising on or after the Closing Date.

10.2 Indemnification by Seller. Subject to the terms of this Article 10, Seller shall indemnify and hold the Buyer, its Affiliates and their respective employees, officers, directors, members, managers, shareholders, agents, contractors, attorneys and representatives (collectively, the "Buyer Indemnified Parties") harmless from and against, and agrees to promptly defend any Buyer Indemnified Party from and reimburse any Buyer Indemnified Party for, any and all Losses which such Buyer Indemnified Party may at any time suffer or incur, or become subject to, as a result of or in connection with:

10.2.1 any untruth or inaccuracy in any representation or warranty of Seller contained in this Agreement or in any other Transaction Document; provided, however, that for purposes of determining an untruth or inaccuracy in any such representation or warranty for purposes of this Section 10.2.1, the representations and warranties of Seller that are limited or qualified by references to "material" or "materiality" or "Material Adverse Effect" or similar qualifications shall be construed as if they were not limited or qualified by such qualifications.

10.2.2 any failure of Seller duly to perform or observe any term, provision, covenant, agreement or condition contained in this Agreement or the other Transaction Documents to be performed or observed by the Seller; or

10.2.3 except as otherwise provided by and subject to the terms of Sections 3.3 and 3.4 above, any claim or cause of action by any party arising on or after the Closing Date against any Buyer Indemnified Party with respect to the obligations of Seller retained by Seller under this Agreement or any of the other Transaction Documents, including any default by Seller under the Lease arising prior to the Closing Date or any failure of Seller to satisfy any of its liabilities other than the Assumed Liabilities.

### 10.3 Notification and Defense of Claims.

10.3.1 A party entitled to be indemnified pursuant to Section 10.1 or 10.2 (the "Indemnified Party") shall promptly notify the party or parties liable for such indemnification (the "Indemnifying Party") in writing of any claim, action, lawsuit, proceeding, investigation or demand which the Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement; provided, however, that a failure to give prompt notice or to include any specified information in any notice will not affect the rights or obligations of any party hereunder except and only to the extent that, as a result of such failure, any party which was entitled to receive such notice was prejudiced as a result of such failure. Subject to the Indemnifying Party's right to defend in good faith third party claims as hereinafter provided, the Indemnifying Party shall satisfy its obligations under this Section 10 within thirty (30) days after the receipt of written notice thereof from the Indemnified Party.

10.3.2 If the Indemnified Party shall notify the Indemnifying Party of any claim or demand pursuant to Section 10.3.1, and if such claim or demand relates to a claim or demand asserted by a third party against the Indemnified Party, the Indemnifying Party shall have the right to defend any such claim or demand asserted against the Indemnified Party. The Indemnified Party shall have the right to participate in the defense of any such claim or demand at its own expense. Without limiting the generality of the foregoing, the Indemnified Party shall not be entitled to indemnification for any fees or costs of defending any such claim or demand unless and until the Indemnifying Party elects not to assume the defense of such claim or demand. The Indemnifying Party shall notify the Indemnified Party in writing, as promptly as possible (but in any case five (5) Business Days before the due date for the answer or response to a claim) after the date of the notice of claim given by the Indemnified Party to the Indemnifying Party under Section 10.3.1 of its election to defend any such third party claim or demand. So long as the Indemnifying Party is defending in good faith any such claim or demand asserted by a third party against the Indemnified Party, the Indemnified Party shall not settle or compromise such claim or demand without the prior written consent of the Indemnifying Party (which consent may be granted or withheld in the Indemnifying Party's sole and absolute discretion), and the Indemnified Party shall make available to the Indemnifying Party or its agents all records and other material in the Indemnified Party's possession reasonably required by it for its use in contesting any third party claim or demand. In the event the Indemnifying Party elects to defend such claim or action, the Indemnifying Party shall have the right to settle or compromise such claim or action without the consent of the Indemnified Party, provided that the terms of the settlement or compromise impose no additional obligations on the Indemnified Party with respect to the subject matter of the claim or demand for which the Indemnifying Party has not agreed to indemnify the Indemnified Party.

10.4 Survival of Representations and Warranties. The representations and warranties of the parties contained in this Agreement and the other Transaction Documents, shall survive the Closing until June 31, 2015, except that the representations and warranties set forth in Sections 3.1.1, 3.1.2, 3.1.4 (second, third, and penultimate sentences only), and 3.1.6 shall survive until the applicable statute of limitations has run (the "Survival Period"). Notwithstanding any other provision to the

contrary, no party shall be required to indemnify, defend or hold harmless any other party pursuant to Section 10.1.1 or 10.2.1, unless the Indemnified Party has asserted a claim with respect to such matters within the Survival Period.

10.5 Characterization of Payments. Any payments made pursuant to this Article 10 shall be treated for all Tax purposes as adjustments to the Purchase Price and no party or any of its Affiliates shall take any position on a Tax return or in any proceeding with any taxing authority contrary to such treatment, unless otherwise required by law.

10.6 Limitations. Notwithstanding anything to the contrary contained in this Agreement or in any of the other Transaction Documents, the parties' respective indemnification obligations under this Agreement shall be subject to the limitations contained in this Section 10.6.

10.6.1 Buyer shall not be required to indemnify, defend or hold harmless any Seller Indemnified Party, and Seller shall not be required to indemnify, defend or hold harmless any Buyer Indemnified Party, for any inaccuracy in or breach of a representation or warranty pursuant to Section 10.1.1 or 10.2.1, as applicable, the aggregate amount of all such Losses of the Seller Indemnified Parties or the Buyer Indemnified Parties, respectively, exceeds an aggregate amount equal to \$25,000 (the "Deductible"), after which event the Seller Indemnified Parties or the Buyer Indemnified Parties, as applicable, shall be entitled to recover for all Losses in excess of the Deductible, subject to the other terms of this Agreement; provided, however, that the limitations set forth in this Section 10.6.1 shall not apply to Losses resulting from or arising in connection with any breach of the representations and warranties of Seller under Sections 3.1.9 hereof.

10.6.2 Buyer shall not be required to indemnify, defend or hold harmless the Seller Indemnified Parties, and Seller shall not be required to indemnify, defend or hold harmless the Buyer Indemnified Parties, for Losses in excess of an aggregate amount equal to 100% of the Purchase Price; provided, however, that the foregoing limitation shall not apply to (a) the payment of the Purchase Price by Buyer to Seller, (b) any indemnification pursuant to any of Sections 10.1.3 or 10.2.3, as applicable, or (c) any indemnification arising out of a breach by Seller of its representation and warranty in Sections 3.1.4 (second, third, and penultimate sentences only) above.

10.6.3 The parties agree, for themselves and on behalf of their respective Affiliates, successors and assigns, that with respect to each indemnification obligation under this Agreement or any of the other Transaction Documents, the amount of any Losses shall be reduced by the amount, if any, of any federal, state or local income Tax benefit realized or any insurance proceeds received.

10.6.4 The parties agree that, except as otherwise expressly provided elsewhere in this Agreement or in any other Transaction Document, the indemnification provisions of this Article 10 shall be the sole and exclusive remedy for any breach of or inaccuracy in any representation, warranty, covenant or agreement contained in this Agreement or in any of the other Transaction Documents; provided, that either party shall be entitled to seek specific performance of the other party's obligation.

to close the transaction contemplated by this Agreement.

10.6.5 No Indemnified Party shall seek or be entitled to, or accept payment of, any award or judgment for consequential, incidental, special, indirect or punitive damages or lost profits suffered by such Indemnified Party, whether based on statute, contract, tort or otherwise, and whether or not arising from the Indemnifying Party's sole, joint or concurrent negligence, strict liability or other fault.

11. Certain Defined Terms. For purposes of this Agreement, the following terms have the meaning set forth below:

"Affiliate" means, as to any Person, any other Person which directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" (including, with its correlative meanings, "controlled by" and "under common control with") shall mean possession, directly or indirectly, of the power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests by contract or otherwise) of such Person; provided, however, in no event shall either of Michael Forman or Christopher Forman be deemed an Affiliate of Buyer.

"Business Day" means Monday through Friday, excluding any day of the year on which banks are required or authorized to close in Florida.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor Law.

"Environmental Laws" means all applicable laws, regulations and other requirements of any Governmental Authority relating to pollution, health or safety or to the protection of human health, safety or the environment.

"GAAP" means United States generally accepted accounting principles, as in effect from time to time.

"Governmental Authority" means any U.S., federal, state or local government, governmental authority, regulatory or administrative agency or commission or any court, tribunal, or judicial or arbitral body (or any political subdivision thereof).

"Hazardous Materials" means any hazardous substance, hazardous waste, contaminant, pollutant or toxic substance (as such terms are defined in any applicable Environmental Law); provided that "Hazardous Materials" shall not include customary products used and/or stored by Seller in the ordinary course of its business.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien (statutory or other) or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature of a conditional sale or title retention agreement, and including any lien or charge outstanding by statute or other laws which secures the payment of a debt (including, without limitation, any Tax) or the performance of an obligation.

"Material Adverse Effect" means a material adverse effect on the value of the Property, taken as a whole, provided, however that any such material adverse effect arising out of or resulting from an event or series of events or circumstances affecting (a) the motion picture industry generally or (b) any one or more markets in which any of the theaters operated at the Property are located, shall not constitute a Material Adverse Effect, including, without limitation, the opening for business of any theater competitive to any such theater.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, trust, any other unincorporated organization or Governmental Authority.

"Tax" or "Taxes" means all federal, state, local or foreign taxes, including, but not limited to, income, gross income, gross receipts, capital, production, excise, employment, sales, use, transfer, transfer gain, ad valorem, premium, profits, license, capital stock, franchise, severance, stamp, withholding, Social Security, employment, unemployment, disability, worker's compensation, payroll, utility, windfall profits, customs duties, personal property, real property, environmental, registration, alternative or add-on minimum, estimated and other taxes, governmental fees or like charges of any kind whatsoever, including any interest, penalties or additions thereto whether disputed or not.

"Transaction Documents" means this Agreement and all documents, agreements and instruments contemplated by and being delivered pursuant to or in connection with

this Agreement.

12. Notices. In the event either party desires or is required to give notice to the other party, in connection with this Agreement, the same shall be in writing and shall be delivered in person or by recognized overnight air courier service, or deposited with the United States Postal Service, postage prepaid, or certified mail, return receipt requested, addressed to Buyer or Seller at the appropriate address as set forth below:

If to Seller:

With a copy to:

If to Buyer: Roman Chertssov

With a copy to: Law Offices of Lisette M. Blanco, P.A.  
6625 Miami Lakes Drive, Suite 321  
Miami Lakes, Florida 33014  
Attention Lisette M. Blanco, Esquire

Any such notice shall be deemed to have been given on the date so delivered, if delivered personally or by overnight air courier service, or, if mailed, on the date shown on the return receipt as the date of delivery or the date on which the Post Office certified that it was unable to deliver, whichever is applicable. Any party may, by written notice to the other party, specify a different address to which notices shall be given, by sending notice thereof in the manner set forth above. No copies of notices given to any party after the date which is one (1) year after the Closing Date also need be given to outside counsel for such party.

### 13. Miscellaneous.

13.1 Entire Agreement; Amendment. This Agreement (including all Exhibits and Schedules hereto), the other Transaction Documents and the Confidentiality Agreement contain all of the terms and conditions agreed upon by the parties hereto with reference to the subject hereof. No other prior or concurrent agreements not specifically referred to herein, oral or otherwise, shall be deemed to exist or to bind any of the parties hereto. No officer or employee of any party shall have authority to make any representation or promise not contained in this Agreement and each of the parties hereto agrees that it is not executing this Agreement in reliance upon any such representation or promise. This Agreement may not be modified or changed except by written instruments signed by all of the parties hereto. Subject to the restrictions on assignment set forth herein this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

13.2 Assignment. Except as permitted by Section 1.3, Buyer may not assign or otherwise transfer all or any of its rights, obligations or interests under this Agreement without the prior written consent of Seller. Except as permitted by Section

1.4, Seller may not assign or otherwise transfer all or any of its rights, obligations or interests under this Agreement without the prior written consent of Buyer. No assignment of this Agreement by any party shall be effective until an executed written assumption by such assignee of the assigning party's obligations under this Agreement is delivered to the other party and no such assignment shall relieve any party of its obligations under this Agreement.

13.3 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida, regardless of the laws that might otherwise govern under applicable principles of conflicts of law of such state.

13.4 Drafting. This Agreement has been jointly negotiated and drafted, and shall be construed as a whole according to its fair meaning and not strictly for or against any party.

13.5 Further Assurances. Each of the parties hereto agrees that it will, forthwith upon any request by the other party, cooperate fully in the preparation, execution, acknowledgment, delivery and recording of any agreements, instruments, memoranda or documents reflecting or in furtherance of any of the transactions contemplated by this Agreement.

13.6 Intentionally omitted.

13.7 Confidentiality: Press Releases. Except and to the extent required by applicable law, until the Closing no party hereto shall disclose the existence of this Agreement, or any of the terms or provisions hereof, or make any press release or similar disclosure, without the prior written consent of the other party. To the extent reasonably feasible, the initial press release or other announcement or notice regarding the transactions contemplated by this Agreement shall be made jointly by the parties; provided, however, that nothing in this Agreement shall prohibit any party from making press release required by applicable law. Upon the Closing, the confidentiality and non-disclosure obligations of the parties hereunder and under the Confidentiality Agreement shall terminate, except to the extent that such obligations relate to documentation or information relating to any properties of Seller other than the Property and the businesses conducted thereon, which obligations shall survive until the expiration of the Confidentiality Agreement in accordance with its terms. Notwithstanding the foregoing, following the Closing, without the prior written consent of Buyer, neither Seller nor any of its Affiliates shall, directly or indirectly, disclose to any Person any non-public information regarding the Property, except that Seller and its Affiliates may disclose such information (a) in connection with matters related to the sale of the Property or the other transactions contemplated by the Transaction Documents; (b) in connection with the preparation of reports and documents to be filed by Seller or any of its Affiliates with any Governmental Authority; (c) to Seller's officers, directors, members, managers, employees, agents, representatives, attorneys and accountants provided that Seller shall be responsible for any non-permitted disclosure of such information by any such Persons; (d) if required to do so by a Governmental Authority of competent jurisdiction, and (e) if such information is in the

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23

public domain or is previously published or disseminated by a third party other than pursuant to the provisions of a confidentiality agreement entered with Buyer.

13.8 Waiver. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

13.9 Third Parties. Except as otherwise expressly provided for or contemplated by this Agreement, nothing in this Agreement, express or implied, shall or is intended to confer upon any Person other than the parties hereto, or their respective successors or assigns, any rights or remedies of any nature or kind whatsoever under or by reason of this Agreement.

13.10 Section Headings. Section headings are provided herein for convenience only and shall not serve as a basis for interpretation or construction of this Agreement, nor as evidence of the intention of the parties hereto.

13.11 Severability. If any provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court to be void or unenforceable, the same shall in no way affect any other provision of this Agreement, the application of any such provision in any other circumstances or the validity or enforceability of this Agreement as a whole.

13.12 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

13.13 Reference. Except as otherwise expressly provided in this Agreement, any dispute of any nature or character whatsoever between the parties and arising under or with respect to this Agreement or any of the other Transaction Documents, or the subject matter hereof or thereof, shall be resolved by a proceeding in accordance with the provisions of California Code of Civil Procedure Section 638 et seq., for a determination to be made which shall be binding upon the parties as if tried before a court or jury. The parties agree specifically as to the following:

13.13.1 Within five (5) Business Days after service of a demand by a party hereto, the parties shall agree upon a single referee who shall then try all issues, whether of fact or law, and then report a finding or judgment thereon. If the parties are unable to agree upon a referee either party may seek to have one appointed, pursuant to Florida Code of Civil Procedure by the presiding judge of the Dade County Circuit Court;

13.13.2 The compensation of the referee shall be such charge as is customarily charged by the referee for like services. The cost of such proceedings shall initially be borne equally by the parties. However, the prevailing party in such proceedings shall be entitled, in addition to all other costs, to recover its contribution for the cost of the reference as an item of damages and/or recoverable costs;



13.13.3 If a reporter is requested by either party, then a reporter shall be present at all proceedings, and the fees of such reporter shall be borne by the party requesting such reporter. Such fees shall be an item of recoverable costs. Only a party shall be authorized to request a reporter;

13.13.4 The referee shall apply all Florida Rules of Procedure and Evidence and shall apply the substantive law of Florida in deciding the issues to be heard. Notice of any motions before the referee shall be given, and all matters shall be set at the convenience of the referee;

13.13.5 The referee's decision under Florida Code of Civil Procedure shall stand as the judgment of the court, subject to appellate review as provided by the laws of the State of Florida; and

13.13.6 The parties agree that they shall in good faith endeavor to cause any such dispute to be decided within four (4) months. The date of hearing for any proceeding shall be determined by agreement of the parties and the referee, or if the parties cannot agree, then by the referee. The referee shall have the power to award damages and all other relief.

13.14 Interpretative Matters. Unless the context otherwise requires, (a) all references to Articles, Sections or Schedules are to Articles, Sections or Schedules in this Agreement, (b) each accounting term not otherwise defined in this Agreement has the meaning assigned to it in accordance with GAAP, (c) words in the singular or plural include the singular and plural, and pronouns stated in either the masculine, the feminine or neuter gender shall include the masculine, feminine and neuter and (d) whenever the words "include," "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

13.15 No Personal Liability. Under no circumstances shall any personal liability or obligation under this Agreement or under any of the other Transaction Documents be imposed or assessed against any shareholder, member, manager, officer, director, employee or agent of any party to this Agreement or of any of such party's Affiliates, and no party (nor any party claiming through such party) shall commence any proceedings or otherwise seek to impose any liability whatsoever against any such shareholders, member, manager, officer, director, employee or agents.

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

Signed in the presence of:

Seller: Miami-Dade County, a  
Political subdivision of the State  
of Florida

\_\_\_\_\_  
Print name:

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

Title: \_\_\_\_\_

\_\_\_\_\_  
Print name:

Signed in the presence of:

Buyer: PRC Investments and  
Management, LLC, a Florida limited  
liability company

\_\_\_\_\_  
Print name:

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

Title: \_\_\_\_\_

\_\_\_\_\_  
Print name:

## GROUND LEASE AGREEMENT

This Ground Lease Agreement (sometimes hereinafter referred to as this "Lease") is made and entered into as of the 22<sup>nd</sup> day of November, 2004, by and between Edison Marketplace Group, LLC, a Florida limited liability company (to be interchangeably referred to herein as "Marketplace Group" and/or "Landlord"), whose address for purposes hereof is 645 NW 62<sup>nd</sup> Street, Miami, FL 33150, and Peninsula Edison Plaza, LLC., a Florida limited liability company (to be interchangeably referred to herein as "Peninsula" and/or "Tenant"), whose address for purposes hereof is 555 NE 15<sup>th</sup> Street, Suite 213, Miami, FL 33132 (collectively, Peninsula and Marketplace Group may sometimes be referred to herein as the "Parties").

### RECITALS

A. Landlord is the owner of that certain parcel of real property legally described on Exhibit "A" hereto and more commonly known as the Edison Plaza Shopping Center located in Liberty City, at 645 N.W. 62<sup>nd</sup> Street, Miami, Florida 33150;

B. Tenant plans to redevelop the Property (defined herein) such that: (i) Northwest 63rd Street between 6th and 7th Avenues is legally closed by replat (the "Replat"); (ii) Tenant secures a Class II Permit (the "Permit") so that the project contemplated hereby shall meet the zoning requirements established by all applicable governing bodies; (iii) Tenant demolishes all existing buildings and improvements on the Property (the "Demolition"); and (iv) Tenant designs and constructs a new shopping center (the "Development") with a supermarket, or other appropriate anchor tenant, and a mix of other retail and office tenants, (as determined by Tenant in its sole discretion);

C. Landlord shall not be involved in the selection or approval of tenants for the Development, other than set forth in B above, nor shall Landlord be required to assist Tenant in obtaining tenants for the Development; and

D. Landlord and Tenant wish to enter into this lease to set forth the terms and conditions of Tenant's ground lease and development of the Property.

### WITNESSETH:

1. **Property.** Subject to and upon the terms, provisions, covenants and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease, demise and let to Tenant and Tenant does hereby lease, demise and let from Landlord the Property, together with the air rights, rights-of-way, easement rights, and appurtenances thereto (all of which shall collectively be the "Property").

2. **Term.** The Lease shall commence on the date of the full execution hereof by the Parties (the "Lease Commencement Date") and shall have an initial term of forty (40) years and upon the mutual agreement of Landlord and tenant, may be extended by Tenant for two (2) additional periods of ten (10) years each, for a total possible maximum Term of sixty (60) years (the initial forty (30) year term, as may be extended, shall be referred to herein as the "Term" and the last day of the initial Term shall be

October 31, 2044). At the end of the Term, the Property, together with the improvements to be constructed thereon by Tenant (the "Improvements"), will be returned to the Landlord at no cost, free and clear of all encumbrances, rights and interest of Tenant created by this Lease.

3. **Termination.** In the event this Lease is terminated by Landlord, other than as set forth in the Section, or in accordance with Section 27 as a result of Tenant's default under this Lease, Landlord shall immediately pay to Peninsula, in clear U.S. Funds by wire transfer or cashier's check, the sum of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) (the "Compensation Fee") to compensate Peninsula for the significant financial and working contribution that Peninsula contributed towards the development of the Property. No Compensation Fee shall be paid by Landlord in the event the Lease is terminated by Tenant, or in the event Landlord's termination of the Lease is due to Tenant's failure to obtain financing and to construct the Development by October 31, 2006. Landlord acknowledges and agrees that this Lease (and any Memorandum of Lease executed in conjunction herewith which may be recorded in the public records of Miami-Dade County, Florida by Tenant) shall serve as a mortgage and security agreement setting forth the Landlord's agreement for the Property to be the collateral to secure the payment of the Compensation Fee as set forth herein. The terms of this Section shall survive the cancellation or termination of this Lease.

The following events must occur prior to May 1, 2005 (the "Construction Commencement Date") or either party may cancel this lease, without penalty, by delivery of written notice from one to the other:

- (a) Tenant shall have received and delivered to Landlord a written commitment for construction financing for the Development. Any such construction financing shall be secured by a mortgage against the leasehold interest of Tenant and shall not be secured by a mortgage on the fee simple estate of Landlord.
- (b) A building permit shall have been issued and all other public approvals required for the commencement of construction of the Development shall have been obtained by Tenant;
- (c) No uncured default shall have occurred and be continuing under this Lease;
- (d) The general contractor selected by Tenant to construct the Development shall have agreed to guarantee the lien free construction and completion of the Development.

Tenant shall use good faith efforts to promptly satisfy the conditions set forth above prior to the Construction Commencement Date. The Landlord, in its capacity as ground lessor, will use its best efforts to assist Tenant in obtaining all required permits and approvals for the Development, subject to certain limitations to be set forth in the Lease.

4. **Base Rent.** No rent whatsoever shall be due or payable for the period commencing on the date that the Lease has been fully executed by the Parties through and including the date the Tenant takes actual possession of the Property pursuant to the Lease (the "Possession Date"), and through and

including the earlier of the last day of the calendar month in which a final certificate of occupancy is issued for the entire Development, ("Certificate of Occupancy"), or the day before the first day of the twenty-fourth (24<sup>th</sup>) calendar month following the Possession Date (such period in which rent is not due shall be referred to herein as the "Rent Free Period"). Beginning of the first day following the Rent Free Period (the "Rent Commencement Date") and through and including the day before the first (1<sup>st</sup>) day of the Sixtieth (60<sup>th</sup>) calendar month following the Rent Commencement Date (the "First Base Rent Period"), Tenant shall commence paying rent to Landlord in the total amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) per annum (the "Fixed Base Annual Rent"), due and payable in equal monthly installments on the first (1<sup>st</sup>) day of each calendar month thereafter, in the sum of Four Thousand One Hundred Sixty-Six and 66/100 Dollars (\$4,166.66) per month ("Fixed Based Monthly Rent"). Beginning of the first day following the First Base Rent Period and through and including the day before the first (1<sup>st</sup>) day of the Sixtieth (60<sup>th</sup>) calendar month thereafter (the "Second Base Rent Period"), Fixed Base Annual Rent shall increase to Sixty-Five Thousand and 00/100 Dollars (\$65,000.00) per annum, due and payable in equal monthly installments of Fixed Based Monthly Rent on the first (1<sup>st</sup>) day of each calendar month thereafter, in the sum of Five Thousand Four Hundred Sixteen and 66/100 Dollars (\$5,416.66) per month. Beginning on the first (1<sup>st</sup>) day of the twelve (12) month period following the Second Base Rent Period (the "Third Base Rent Period"), Fixed Base Annual Rent shall increase to Sixty-Nine Thousand Two Hundred Twenty-Five and 00/100 Dollars (\$69,225.00) per annum, due and payable in equal monthly installments of Fixed Based Monthly Rent on the first (1<sup>st</sup>) day of each calendar month thereafter, in the sum of Five Thousand Seven Hundred Sixty-Eight and 75/100 Dollars (\$5,768.75) per month. Beginning on the first (1<sup>st</sup>) day of the twelve (12) month period following the Third Base Rent Period, and on the first (1<sup>st</sup>) day of each twelve (12) month period thereafter, Fixed Based Annual Rent (and Fixed Based Monthly Rent) shall increase by the greater of (i) two percent (2%); or (ii) the percentage increase of the Annual Project Rental Revenues (defined herein) over the previous twelve (12) month period, as determined by taking a fraction, the numerator of which is the Annual Project Rental Revenues for the year then ending and the denominator of which is the Annual Project Rental Revenue for the year prior to that.

5. **Participation Rent.** In addition to the Fixed Base Rent, Tenant shall pay to Landlord a participation rent (the "Participation Rent") as is specifically set forth herein. On the first day of the thirty-seventh (37<sup>th</sup>) month following the Rent Commencement Date the "Annual Participation Factor" shall be one percent (1%) of Annual Project Rental Revenues (defined below). Prior to such time, the Annual Participation Factor shall be zero. Commencing on the first day of the following twelve month period and on the first day of each twelve (12) month period thereafter, the Annual Participation Factor shall increase by one percent (1%), until the Annual Participation Factor equals five percent (5%) of the Annual Project Rental Revenues. At such time, the Annual Participation Factor shall remain equal to five percent (5%) of the Annual Project Rental Revenues through the last day of the tenth (10<sup>th</sup>) year following the Rent Commencement Date.

Participation Rent due from Tenant to Landlord shall equal thirty-seven percent (37%) of the Annual Participation Factor. It shall be calculated on the last day of each annual rental period hereof and shall accrue until due and payable in accordance herewith.

Payment of any and all Participation Rent will be deferred through the last day of the tenth (10<sup>th</sup>) year (the one hundred twentieth (120<sup>th</sup>) month) following the Rent Commencement Date (the "Deferral Period"), such that Participation Rent shall accrue during said time, but shall be payable, without any interest thereon, within sixty (60) days following the last day of the Deferral Period. All Participation Rent due thereafter

shall be computed as set forth below and shall be payable from Tenant to Landlord within sixty (60) days following the end of each twelve (12) month period of this Lease (each such period, a "Lease Year") in which it accrues.

Commencing on the first day of the eleventh (11<sup>th</sup>) Lease Year following the Rent Commencement Date and through the end of the term hereof, Participation Rent shall be payable with respect to any given Lease Year if, and only if, the Annual Cash Flow (as defined herein) for that Lease Year exceeds an amount equal to the Base Rent payable by Tenant for that Lease Year (the "Tenant Retainage"). The difference between the Annual Cash Flow for each Lease Year minus the Tenant Retainage for that period shall be the "Annual Cash Flow Balance". So long as the Annual Cash Flow Balance is greater than zero, then the Participation Rent for that Lease Year shall be thirty-seven percent (37%) of the Annual Cash Flow Balance. If the Annual Cash Flow Balance for any such Lease Year is less than zero, then the Participation Rent for that Lease Year shall be zero and the amount by which such Annual Cash Flow Balance is less than zero shall be deemed the "Carry Forward Differential", such that, if the Annual Cash Flow is \$100 and the Tenant Retainage is \$200, then the Annual Cash Flow Balance for that Lease Year shall be -\$100 and the Carry Forward Differential shall be \$100. Participation Rent for each following Lease Year shall be computed as set forth in this paragraph except, in the event the Carry Forward Differential is greater than zero in any Lease Year, then:

(a) if the Annual Cash Flow Balance for the following Lease Year is also less than zero, then the Carry Forward Differential (to once again be brought forward to the next following Lease Year) shall increase by the total amount the Annual Cash Flow Balance is less than zero; or

(b) if the Annual Cash Flow Balance for such following Lease Year is greater than zero, then, before computing the Participation Rent for such Lease Year, the Annual Cash Flow Balance shall be reduced by the lesser of (i) the Carry Forward Differential brought forward from any previous Lease Year(s); or (ii) fifty percent (50%) of the Annual Cash Flow Balance for such new Lease Year. In the event the Carry Forward Differential is greater than 50% of the Annual Cash Flow Balance for such Lease Year, then the Carry Forward Differential shall be reduced by 50% of the Annual Cash Flow Balance and shall be brought forward to the next Lease Year. If the Carry Forward Differential is less than 50% of the Annual Cash Flow Balance for such Lease Year, then, after the Annual Cash Flow Balance for such Lease Year is reduced by the Carry Forward Differential, the Carry Forward Differential shall be reduced to zero.

The term "Annual Project Rental Revenues" is defined herein as the gross rental income identified as "base rent" (or its equivalent based upon reasonable commercial leasing principals) paid by tenants ("Space Tenants") leasing commercial space in the Development in the ordinary course of business pursuant to leases with Tenant ("Space Leases") during each twelve (12) month period following the commencement of the Permanent Period. Annual Project Rental Revenue also includes any other income earned by Tenant and generated by any vending machines, ATMs, video games, pay telephones, or other similar income producing items. Annual Project Revenue does not include any amounts paid to Landlord by any tenant in the Development as tenant reimbursements associated with the expenses for common area maintenance, real estate taxes, insurance, sales tax, or the like, regardless of whether the same are characterized as "rent" or "additional rent" with the respective tenants or in their applicable leases. Also, Annual Project Rental Revenues only include rental revenue actually collected by Tenant from tenants of the Development, and shall not include any accounts payable, or other amounts due or owed but not yet paid to Tenant. Provided

however, that Tenant uses due diligence to collect these amounts and when collected, Landlord is paid its proportionate share.

The term "Annual Cash Flow" is defined as the Tenant's net operating income for the Project minus all debt services paid with respect thereto, all as determined in accordance with generally accepted accounting principals and subject to verification by Landlord, in its reasonable discretion.

Tenant's revenues shall be subject to annual audit by Landlord, who shall have the right to select the auditor so long as the auditor is an unbiased, unrelated third party. Tenant shall pay for the cost of the audit.

6. **Taxes and Public Charges.** During the Term of this Lease, Tenant shall pay and discharge all real and personal property taxes, all ad valorem real property taxes, all non-income taxes including sales tax on rents paid or payable by Tenant to Landlord under this Lease and under any subleases, public assessments and other public charges, including but not limited to electric, water and sewer rents, rates and charges (collectively, the "Public Charges") payable with respect to the Property, including all Improvements, to the same extent as if Property and improvements were owned in fee simple by Tenant. A memorandum of this Lease shall be recorded in the public records of Miami-Dade County, Florida and Tenant shall use good faith efforts to cause the County to issue tax bills in its name and to mail the tax bills to Tenant at the address of its business office from time to time. The Landlord shall use its best efforts to reasonably cooperate with Tenant's efforts to appeal or otherwise contest any of the aforementioned taxes either in its name or as agent for the Landlord. The Landlord shall provide Tenant with prompt notice of any such taxes to the extent received. Tenant shall provide Landlord with proof of payment of taxes by April 30, of the year subsequent to the applicable tax year.

7. **As Is.** All demolition, site clearance and site preparation work respecting the Development and/or any part thereof shall be performed by Tenant at its sole cost and expense. Removal of any asbestos, or any other hazardous materials, known to the Tenant to be contained in any building on the Property shall also be done by Tenant at its sole cost and expense and in accordance with applicable law and regulations. The Property and the Improvements shall be leased by Tenant in an "as is, with all faults" condition with no warranty, expressed or implied, other than as set forth in this Lease.

8. **Quiet Enjoyment.** Upon payment by Tenant of the rents herein provided, and upon the observance and performance of all material terms, provisions, covenants and conditions on Tenant's part to be observed and performed, Tenant shall, subject to all of the terms, provisions, covenants and conditions of this Lease, peaceably and quietly hold and enjoy the Property for the Term hereby demised.

9. **Use.** The uses of the Property and Improvements as a commercial shopping center with retail and office tenants may not be modified without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Furthermore, the Property and Improvements shall not be used for any unlawful or illegal business, use or purpose, or for any business, use or purpose which, in Tenant's reasonable judgment would be considered immoral or disreputable (including without limitation "adult entertainment establishments" and "adult" book-stores, liquor store or nightclub) or extra-hazardous, or in such manner as to constitute a nuisance of any kind (public or private), or for any purpose or in any way in violation of any certificates of occupancy (or other similar approvals of applicable governmental authorities) or of governmental rules, regulations, ordinances or laws applicable to the

Property and/or the Improvements. Furthermore, no agreement concerning the sale, use or occupancy of the Development shall contain a restriction based on race, color, religion, sex, national origin or handicap.

10. **Site Plan; Specifications.** The Landlord hereby reconfirms its receipt and approval of the proposed site plan prepared by Tenant showing the approximate location of the Improvements. Tenant is responsible for the preparation of all plans and specifications for the construction of the Development, and may make substantial alterations to the proposed sight plan which are not subject to Landlord's review or approval.

11. **Construction of Development; Permits and Approvals.**

- (a) Tenant is responsible for all aspects of the construction of the Development and financing the cost thereof. Landlord shall use its best efforts to cooperate with Tenant and to add and/or execute any amendments to this Lease (or any other documents) as may be required by any lender providing leasehold financing to tenant, such that this Lease is deemed acceptable by any such lender to secure a construction and/or permanent loan to Tenant.
- (b) Tenant shall submit an estimated construction schedule to the Landlord no later than January 1, 2005, which schedule must be approved by Landlord within fifteen (15) days of receipt thereof, such approval not to be unreasonably withheld, conditioned or delayed. In the event Landlord does not provide written approval within said fifteen (15) day period, then the schedule shall be deemed approved.
- (c) Tenant shall commence construction of the Improvements not later than the Construction Commencement Date and shall use commercially diligent efforts to complete construction no later than the last day of the twenty-fourth (24<sup>th</sup>) full calendar month following such commencement, subject to reasonable delays due to force majeure. While Tenant shall use diligent efforts to commence the construction of the Improvements not later than the Construction Commencement Date, and commence construction of the Development in substantial accordance with the timeline set forth in the construction schedule referenced above, in no event shall Tenant be in default hereof or in any way liable in the event the commencement or completion of construction is delayed.
- (d) Tenant shall acquire and pay for and/or make arrangements for the payment of any and all necessary or appropriate governmental approvals and/or permits in connection with the construction of the Improvements. Landlord shall use its best efforts to cooperate with Tenant, if necessary, so that Tenant is able to obtain such permits as expeditiously as possible.
- (e) Tenant shall install and pay for all necessary utility permits and connections for the Improvements.



12. **Transfer of Leased Property and Developer Improvements.** Except for Tenant's ability to enter leases with Space Tenants or other vendors in the Development, and for Tenant's ability to provide a Leasehold Mortgage (defined herein) to secure any leasehold financing obtained by Tenant, Tenant may not assign, sell, convey, encumber or otherwise transfer its interest in this Lease, the Property or the Improvements or any portion thereof (other than as collateral for financing construction of the Development) without the prior written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed.

13. **Transfer of Interest.** Landlord shall have a Right of First Refusal to purchase any interest of Tenant in this Lease offered for sale to any outside third party. Landlord shall have thirty (30) days to respond to the notice provided by Tenant which indicates that the Tenant's interest herein is for sale. Failure to respond during said thirty (30) day period shall be deemed a waiver of the Right of First Refusal provided hereby. Landlord's Right of First Refusal shall only permit Landlord to purchase the Tenant's interest in this Lease in accordance with the exact terms and conditions of any written contract presented by or to Tenant with regard to the sale and purchase thereof. In the event Landlord declines to purchase, or waives its Right of First Refusal and Tenant subsequently sells all or a portion of its interest in the Development, (collectively a "Sale"), twenty (20%) of the net proceeds from such Sale, after deduction of customary costs and expenses related to such transfer, shall be paid to Landlord. Tenant shall provide Landlord with notification of the sale and with details of all amounts deducted from the gross proceeds of the sale. For purposes of this section, a refinance of the property shall be treated as a Sale, in which event, Landlord shall be entitled to 20% of the net cash available and payable to Tenant after the refinancing, if any.

14. **Leasehold Mortgages.** Tenant shall have the right from time to time, and without prior consent of Landlord, to mortgage and otherwise encumber its rights under this Lease and the leasehold estate, in whole or in part, by a mortgage on the leasehold estate created hereby (a "Leasehold Mortgage") which Leasehold Mortgage secures a loan provided by any lender (a "Leasehold Mortgage"). Such a Leasehold Mortgage shall be expressly subject to the terms, covenants and conditions of this Lease, and at all times shall be subject to the prior right, title and interest of Landlord herein as security for the performance of the terms and conditions of this Lease. Tenant shall provide Landlord with a copy of any such Leasehold Mortgage. The granting of a Leasehold Mortgage against all or part of the leasehold estate in the Property shall not operate to make the Leasehold Mortgagee thereunder liable for performance of any of the covenants or obligations of Tenant under this Lease or a Sublease, except in the case of a Leasehold Mortgagee which owns or is in possession of all or a portion of the Property and then only for its period of ownership or possession, but Landlord shall always have the right to enforce the Lease obligations against such portion of the Property. The amount of any such Leasehold Mortgage may be increased whether by an additional mortgage or agreement or by amendment of the existing Leasehold Mortgage, and may be permanent or temporary, replaced, extended, increased, refinanced, consolidated or renewed on any or all portions of the Property without the consent of Landlord. Such Leasehold Mortgage may contain a provision for an assignment of any rents, revenues, monies or other payments due to Tenant as a landlord (but not from Tenant to Landlord), from Tenant to the Leasehold Mortgagee, and a provision therein that the Leasehold Mortgagee in any action to foreclose the same shall be entitled to the appointment of a receiver.

A notice of the existence of any Leasehold Mortgage shall be delivered to Landlord specifying the name and address of such Leasehold Mortgagee to which notices shall be sent. Landlord shall be furnished with a copy of each such recorded mortgage. For the benefit of any such Leasehold Mortgagee who shall have become entitled to notice as hereinafter provided, Landlord agrees, subject to all the terms of this Lease, not to accept

a voluntary surrender, termination or modification of this Lease at any time while such Leasehold Mortgage shall remain a lien on Tenant's leasehold estate. Any such Leasehold Mortgagee will not be bound by any modification of this Lease, unless such modification is made with the prior written consent of such Leasehold Mortgagee, and no sale or transfer of Landlord's fee simple interest in the Land or any portion thereof to Tenant shall terminate this Lease by merger or otherwise so long as the lien of the Leasehold Mortgage remains undischarged. The foregoing is not meant to prohibit a sale of the fee to Tenant.

No notice of default hereunder or notice of failure to cure a default hereunder shall be deemed to have been given by Landlord to Tenant unless and until a copy has been given to any Leasehold Mortgagee who shall have notified Landlord in writing of its name, address and its interest in the Property prior to Landlord's issuance of such notice. Landlord agrees to accept performance and compliance by any such Leasehold Mortgagee of and with any of the terms of this Lease with the same force and effect as though kept, observed or performed by Tenant, provided such act or performance is timely. Nothing contained herein shall be construed as imposing any obligation upon any such Leasehold Mortgagee to so perform or comply on behalf of Tenant.

In addition to any rights the Leasehold Mortgagee may have in Section 27(b) herein, if, within sixty (60) days after the mailing of any notice of termination or such later date as is thirty (30) days following the expiration of the cure period, if any, afforded Tenant (the "Mortgagee Cure Period"), the Leasehold Mortgagee shall in its sole discretion and without any obligation to do so, pay, or arrange to the satisfaction of Landlord for the payment of, a sum of money equal to any and all rents or other payments due and payable by Tenant hereunder with respect to the portion of the Property to which the Leasehold Mortgagee claims an interest as of the date of the giving of notice of termination, then, upon the written request of the Leasehold Mortgagee made any time prior to the expiration of the Mortgagee Cure Period, Landlord and the party making such request shall mutually execute prior to the end of such Mortgagee Cure Period a new Lease of the Property (or such portion thereof as the Leasehold Mortgagee may have an interest in or mortgage on) for the remainder of the term of this Lease and on the same terms and conditions, and with the same priority over any encumbrances created at any time by Landlord, its successors and assigns which Tenant has or had by virtue of this Lease. In addition to the above payments, the Leasehold Mortgagee shall also pay to Landlord a sum of money equal to the rents and other payments for such portion of the Property accruing from the date of such termination to the date of the commencement of the term of such new Lease. Such new Lease(s) shall contain the same clauses subject to which this demise is made, and shall be at the rents and other payments and upon the terms as are herein contained.

Nothing contained in this Lease shall require any Leasehold Mortgagee or its nominee as a condition to its exercise of its right to enter into a new lease to cure any default of Tenant in order to comply with the provisions of this Section.

Tenant's right to mortgage and otherwise encumber this Lease and the leasehold estate in whole or in part shall include the right to require a lease in reversion which lease in reversion shall become effective upon the termination of this Lease, and shall have the same terms and provisions, including expiration date, as this Lease. The Leasehold Mortgagee shall have the unrestricted right to take all of Tenant's interest in this Lease by lease in reversion or by assignment in lieu of foreclosure and to sell it either after foreclosure or after taking the assignment or becoming tenant under the lease in reversion all without the consent of Landlord. The Leasehold Mortgagee shall not be liable for Tenant's obligations hereunder unless and until such a time

as it becomes the new tenant, either by lease in reversion, foreclosure or assignment and then only for the period of its ownership or possession of the leasehold estate.

15. **Non Disturbance of Space tenants / Estoppel Certificate.** Tenant has the right to enter into a lease of any retail space within the Property (a "Space Tenant") without any approval or consent of Landlord. Landlord agrees to grant Non-Disturbance Agreements for Space Tenants which provide, in the event of a termination of this Lease which applies to the portion of the Property covered by such a lease for the space utilized by such Space Tenant (a "Space Lease"), such Space Tenant will not be disturbed and will be allowed to continue peacefully in possession under its Space Lease, provided: (a) the Space Tenant shall be in compliance with the terms and conditions of its Space Lease; and (b) the Space Tenant shall agree to attorn to Landlord. Upon request of Tenant or any Leasehold Mortgagee, Landlord agrees to give such requesting party an estoppel certificate in form and content to establish the current status of this Lease, as may be reasonable required by the requesting party, upon payment of the estoppel fee, if any, charged by Landlord from time to time.

16. **Waiver of Landlord's Lien.** In order to enable Tenant to secure financing for the purchase of fixtures, equipment, and other personalty to be located on or in the Property, whether by security agreement and financing statement, mortgage or other form of security instrument, Landlord will from time to time, upon request, execute and deliver an acknowledgment that it has waived its "landlord's" or other statutory or common law liens securing payment of rent or performance of Tenant's other covenants under this Lease as to such fixtures, equipment or other personalty.

17. **Termination of Existing Leases.** (a) Prior to or simultaneous with the execution hereof, the Landlord shall terminate all existing leases and tenancies existing on the Property (the "Existing Leases")

(b) Tenant shall not be liable or responsible for any of Landlord's defaults or liabilities under the Existing Leases, or otherwise be responsible or liable under the Existing Leases for any reason whatsoever, including, without limitation, for the return of any security deposits to any existing tenants. Landlord represents and warrants that it has not collected any rent from any tenant on any of the Existing Leases more than one (1) month in advance and shall reimburse tenant for any rent not paid to Tenant under the Existing Leases as a result of any default by landlord thereunder.

18. **Tenant Payment.** As long as the Lease has not been terminated and is in full force and effect:

- a. Tenant shall pay, within 5 business days after Tenant closes and consummates its construction loan financing for the Project, principal and interest on amounts owing from Landlord (or an affiliate thereof) to Miami-Dade County (the "Miami-Dade Debt") and to Tacolcy Economic Development Corporation (the "TEDC Debt") as as more particularly described and thoroughly and accurately itemized on Exhibit "B", attached hereto. (The TEDC Debt and the Miami-Dade Debt shall sometimes be collectively referred to herein as the "Existing Debt").

- b. Tenant and Landlord acknowledge that the payment of debt service on the City Debt (defined below) has been deferred through December 31, 2005. Tenant shall use diligent efforts to convert the City Debt into a grant.
- c. Tenant shall pay for all operating expenses, deficits, maintenance, repair and replacement costs related to the Property including real estate and any other taxes as of the date of the execution of the Lease;
- d. To the extent required under the Uniform Relocation Act ("URA") with regard to any federal funds received by Tenant with regard to the Improvements or the Development, Tenant shall pay for the relocation and moving expenses of any and all tenants on the Property, which may be due and owing to said tenants upon termination of the Existing Leases;
- e. Tenant shall use diligent efforts to comply with the terms and conditions of that Declaration of Restrictive Covenants ("Declaration") recorded by Tacoley Economic Development Corporation ("TEDC") on January 3, 1997 in Official Records Book 17483, Page 1472, as amended from time to time, of the Public Records of Miami-Dade County, Florida. Upon substantial completion of the Development in accordance with the terms and requirements hereof and of the Declaration, Landlord shall cause TEDC to immediately obtain from Miami-Dade County, a written release and termination of the Declaration to be promptly recorded in the Public Records of Miami-Dade County, Florida. Notwithstanding the foregoing, in the event Tenant or Landlord are unable to amend the Declaration in writing prior to May 31, 2005 such that it provides that a Winn Dixie supermarket is not required in the Project, that this ground lease is permitted and that the deadline for the completion of the obligations set forth therein is June 30, 2005, then Tenant may terminate this lease without any liability or obligation whatsoever.

19. **Successors and Assigns.** All terms, provisions, covenants and conditions to be observed and performed by Tenant shall be applicable to and binding upon Tenant's respective heirs, administrators, executors, successors and assigns, subject, however, to the restrictions as to assignment or subletting by Tenant as provided herein. All expressed covenants of this Lease shall be deemed to be covenants running with the land.

20. **Conversion of City Debt and Incorporating Existing Debt.** Tenant shall prepare a request for the conversion of the debt owed by Landlord (or an affiliate thereof) in favor of the City of Miami and more specifically described on Exhibit "C" attached hereto (the "City Debt") into a grant, and Landlord shall cause such request to be executed by Belafonte Tacoley Center, Inc., and shall submit any and all documentation required by the City of Miami in support of the application for the conversion of the City Debt into a grant (and Landlord shall use diligent efforts to cooperate with Tenant to provide Tenant with any information required to so convert the City Debt). Tenant shall also incorporate the Existing Debt into any loan amount applied for in any construction loan application prepared and submitted by Tenant in connection with the Development, which loan application shall provide and explain that a portion of the proceeds from the closing of such construction loan shall be used to satisfy the Existing Debt and to reimburse TEDC for the actual amounts advanced by TEDC for development costs incurred in connection with the Development as identified as the predevelopment costs (\$128,474) and real property tax advances (\$45,000) on Exhibit "B" attached hereto.

21. **Non-Disturbance of City Debt.** Landlord represents and warrants that prior to Tenant being obligated hereunder, Landlord shall obtain from the City of Miami a Subordination and Non-Disturbance Agreement which provides that in the event of the foreclosure of the City Debt or in any other event that the City of Miami acquires any or all of Landlord's rights in and to the Property, then Tenant shall be provided with immediate written notice of the same and Tenant's rights under this Lease and in the Property shall not be disturbed so long as Tenant is not then in default hereunder.

22. **Hold Harmless.** Tenant hereby agrees that (a) Tenant, at all times, will indemnify and keep Landlord, its subsidiaries, directors, officers, agents and employees harmless from all losses, damages, liabilities and expenses, including but not limited to, reasonable attorney's fees and legal costs which may arise or be claimed against Landlord and be in favor of any persons, firm or corporation, consequent, upon or arising from the use or occupancy of the Property by Tenant, or consequent, upon or arising from any acts, omissions, neglect or fault of Tenant, his agents, servants, employees, licensees, visitors, customers, patrons or invitee, or consequent upon or arising from Tenant's failure to comply with any laws, statutes, ordinances, codes, regulations or any term, condition or covenant of Tenant under this Lease, including without limitation failure to pay Fixed Base Rent, Percentage Rent or any other sums of money becoming due hereunder from Tenant as herein provided except when such injury, loss or damage results from the negligence or intentional misconduct of Landlord, or Landlord's agents, representatives or employees, in which event Landlord shall indemnify and hold Tenant harmless for the same; (b) Landlord shall not be liable to Tenant for any damages, losses or injuries to the person or property of Tenant which may be caused by the acts, neglect, omissions or faults of any persons, firms or corporations, except when such injury, loss or damage results from the negligence or willful misconduct of Landlord, his agents, representative or employees; and (c) Tenant will indemnify and keep harmless Landlord from all damages, liabilities, losses, injuries, or expenses which may arise or be claimed against Landlord and be in favor of any person, firms or corporations, from any injuries or damages to the person or property of any persons, firms or corporations, where said injuries or damages arose about or upon the Property or upon the Development, as a result of the negligence of Tenant, his agents, employees, servants, licensees, visitors, customers, patrons and invitee. Tenant agrees that the obligations assume herein shall survive this Lease. All personal property placed or moved into the Property shall be at the risk of Tenant or the owner thereof, and Landlord shall not be liable to Tenant for any damage to said personal property, unless the same is caused by the gross negligence or intentional misconduct of Landlord, or its agents, representatives or employees.

23. **Insurance Requirements.** Tenant hereby agrees to maintain in full force and effect at all times during the term of this Lease, at its own expense, for the protection of Tenant and Landlord, as their interests may appear, policies of insurance issued by a company or companies licensed to issue the relevant insurance and licensed to do business in the State of Florida and having a policyholder's rating of no less than "A, VII" in the most recent edition of Best's Insurance Reports which shall afford the following coverages:

- a. Comprehensive General Liability Insurance including property damage on an occurrence basis, with limits of not less than One Million and 00/100 Dollars (\$1,000,000.00) combined single limit insuring Landlord and Tenant against any liability arising out of the ownership, use, occupancy or maintenance of the Property and all areas appurtenant thereto. The limit of said insurance shall not, however, limit the liability of Tenant

hereunder. Tenant may carry said insurance under a blanket policy, provided an endorsement naming Landlord as an additional insured is attached thereto.

- b. Hazard, All-Risk, Fire and Extended Coverage, Vandalism and Malicious Mischief, Sprinkler Leakage (where applicable) insurance to cover all of Tenant's stock in trade, fixtures, furniture, furnishings, removable floor coverings, trade equipment, signs and all other decorations placed by Tenant in or upon the Property.
- c. Worker's Compensation as required by Florida Statutes.
- d. Employer's Liability - Not Less than One Million and 00/100 Dollars (\$1,000,000.00) on an occurrence basis in coverage.
- e. Indemnity coverage - Not less than One Million and 00/100 Dollars (\$1,000,000.00) on an occurrence basis.
- f. Business Interruption Insurance-

Tenant shall deliver to Landlord at least thirty (30) days prior to the time such insurance is first required to be carried by Tenant, and thereafter at least thirty (30) days prior to expiration of such policy, Certificates of Insurance evidencing the above coverage with limits no less than those specified above and satisfactory evidence that all premiums have been paid. Such Certificates shall name Landlord, its subsidiaries, directors, agents and employees as additional insureds and shall expressly provide that the interest of same therein shall not be affected by a breach by Tenant of any policy provision for which such Certificates evidence coverage. Further, all Certificates shall expressly provide (a) that no less than thirty (30) days prior written notice shall be given Landlord in the event of material alteration to, or cancellation of, the coverages evidenced by such Certificates, and (b) an express waiver of any right of subrogation by the insurance company against Landlord, the Tenant hereby expressly waiving any such right of subrogation for any reason or occurrence whatsoever and for any and all purposes, Tenant hereby waiving any and all claims of subrogation that otherwise may inure to the benefit of Tenant's insurance company by operation of law, common law or contract.

Tenant agrees not to violate knowingly or permit to be violated any of the conditions or provisions of the insurance policies required to be furnished hereunder, and agrees to promptly notify Landlord of any fire or other casualty materially affecting the Property.

24. **Eminent Domain.** If at any time during the term of this Lease the power of eminent domain shall be exercised by any federal or state sovereign or their proper delegates, by condemnation proceeding (a "Taking"), to acquire the entire Property, such Taking shall be deemed to have caused this Lease to terminate and expire on the date of such Taking. Tenant's right to recover a portion of the award for a Taking, as hereinafter provided, is limited to the fair market value of the Improvements, plus the value of Tenant's interest in the unexpired term of the leasehold estate created pursuant to this Lease, and, although Tenant is entitled to recover the value of the unexpired term of its leasehold interest herein, in no event shall Tenant be entitled to compensation for any fee interest in the Property. Landlord shall be entitled to receive from the condemning authority the fair market value of the Property, at the time of Taking, plus Landlord's interest in the unexpired term of the leasehold interest, included but not limited to loss of income from early

termination of the Lease. For the purpose of this section, the date of Taking shall be deemed to be either the date on which actual possession of the Development or a portion thereof, as the case may be, is acquired by any lawful power or authority pursuant to the Taking or the date on which title vests therein, whichever is earlier. All rents and other payments required to be paid by Tenant under this Lease shall be paid up to the date of such Taking. Tenant and Landlord shall, in all other respects, keep, observe and perform all the terms of this Lease up to the date of such Taking.

In the event following any such Taking as aforesaid, this Lease is terminated, or in the event following a Taking of less than the whole of the Property this Lease is terminated as provided for herein, the proceeds of any such Taking (whole or partial) shall be distributed as described above. If the value of the respective interests of Landlord and Tenant shall be determined according to the foregoing provisions, the values so determined shall be conclusive upon Landlord and Tenant. If such values shall not have been separately determined, such values shall be fixed by agreement between Landlord and Tenant, or if they are unable to agree, by an apportionment hearing within the condemnation proceeding so that the allocation between the parties is fair and equitable. Any Leasehold Mortgagee secured by a mortgage on the tenant's interest in this Lease shall be entitled to participate in any proceedings in connection with a Taking, and to receive directly from the condemning authority any sums to which it/they are found to be entitled.

If, in the event of a Taking of less than the entire Property, the remaining portion of the Property not so taken cannot be adequately restored, repaired or reconstructed so as to constitute a complete architectural unit of substantially the same usefulness, design, construction, and commercial feasibility, as immediately before such Taking, then Tenant shall have the right, to be exercised by written notice to Landlord within one hundred twenty (120) days after the date of Taking, to terminate this Lease on a date to be specified in said notice, which date shall not be earlier than the date of such Taking, in which case Tenant shall pay and shall satisfy all rents, revenues and other payments due and accrued hereunder up to the date of such partial Taking and shall perform all of the obligations of Tenant hereunder to such date, and thereupon this Lease and the term herein demised shall cease and terminate.

If following a partial Taking this Lease is not terminated as hereinabove provided then, this Lease shall terminate as to the portion of the Property taken in such condemnation proceedings and, as to that portion of the Demised Premises not taken Tenant shall proceed at its own cost and expense either to make an adequate restoration, repair or reconstruction or to rebuild a new shopping center (or part thereof) upon the part of the Property not taken. In such event, Tenant's share of the award, as determined in accordance with subsection (a) herein, shall be used by Tenant for its reconstruction, repair or rebuilding. If the part of the award so paid to Tenant is insufficient to pay for such restoration, repair or reconstruction, Tenant shall pay the remaining cost thereof, and shall fully pay for all such restoration, repair and reconstruction, and complete the same to the reasonable satisfaction of Landlord.

In case of a second, or any additional partial Taking or Takings from time to time, the provisions hereinabove contained shall apply to each such partial Taking. In the event any federal or state sovereign or their proper delegates with the power of eminent domain appropriates or condemns all or a portion of the Property, and Landlord is a beneficiary of such Taking, the award shall be divided in accordance with the provisions of this section. In that event, in accordance with the provisions hereof, Tenant shall restore, repair, or reconstruct any portion of the Property not taken; provided that if the award so paid to Tenant shall be insufficient to fully pay for such restoration, repair or reconstruction, Tenant shall have the option of: (a) repairing at its expense, or (b) terminating the Lease.

25. **Environmental Matters.** The term "Hazardous Substance(s)" as used herein, means any hazardous or toxic substances materials or wastes, which are, have been, or become regulated under any applicable local, state or federal law including, but not limited to those substances, materials, and wastes listed in the United States Department of Transportation Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, and such substances, materials and wastes such as (i) petroleum and petroleum products, (ii) asbestos containing materials, (iii) polychlorinated biphenyls, (iv) "hazardous substances" as designated pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. Section 1317), (v) substances defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. Section 6903), (vi) substances defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601), or (vii) substances defined as "pollutants" under the Florida "Pollutant Discharge Prevention and Control Act", Ch. 376, Florida Statutes.

a. **Compliance with Laws and Regulations and Certification.** The Landlord hereby represents, warrants, covenants and agrees to and with Tenant, that: (a) all environmental surveys and reports in the possession of the Landlord have been provided to Tenant; (b) the Landlord has not at any time engaged in or permitted, any dumping, discharge, disposal, spillage or leakage (whether legal or illegal, accidental or intentional) of Hazardous Substances, at, on, in or about the Property, or any portion thereof; (c) the Landlord has not received any summons, citation, complaint, inspection report, letter or other communication, whether written or verbal, from any agency or department of any government or any other entity whatsoever concerning the presence on the Property of any Hazardous Substances, and that should any such summons, citation, complaint, inspection report, letter or other communication be received in the future, the Landlord shall immediately notify Tenant of the fact and content thereof.

b. **Environmental Survey.** The Lease shall be an "AS IS" Lease (except for any specific representations or warranties set forth therein). Tenant has conducted its own environmental survey(s), a copy of which is attached as Exhibit "D" to this Lease.

c. **Indemnity.** Tenant in its capacity as long term lessee during the period of the Lease, agrees to indemnify, protect, defend (with counsel reasonably approved by Landlord) and hold the Landlord, and its directors, officers, shareholders, employees and agents harmless from any claims (including, without limitation, third party claims for personal injury, real or personal property damage, or any other damages), actions, administrative proceedings (including informal proceedings), judgments, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlements of claims), interest or losses including reasonable attorneys' and paralegals' fees and expenses (including any such fees and expenses incurred in enforcing this indemnity or collecting any sums due hereunder), reasonable consultant fees and expert fees, together with all other costs and expenses of any kind or nature which are incurred in favor of third parties (collectively, the "Costs") that arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Substance in or into the air, soil, surface water, groundwater or soil vapor at, on, about, under or within the Property, or any portion



thereof, or that has migrated from the Property to adjacent or nearby properties unless the same is caused by the indemnitees or resulted from a cause that originated prior to when Tenant acquired control of the Property. The indemnification provided in this paragraph shall specifically apply to and include claims or actions related to Hazardous Substances brought by or on behalf of employees of Tenant related to Hazardous Substances. In the event the Landlord or any other indemnified party hereunder shall suffer or incur any such Costs, Tenant shall pay to the Landlord or any other indemnified party hereunder the total of all such Costs suffered or incurred by it upon demand therefor unless caused by the negligence or misconduct of the indemnified party or its agents or employees. Without limiting the generality of the foregoing, the indemnification provided by this paragraph shall specifically cover Costs, including capital, operating and maintenance costs, incurred in connection with any investigation, assessment or monitoring of site conditions, any clean-up, containment, remedial, removal or restoration work, including the restoration of natural resource damage, required or performed by any federal, state or local governmental agency or political subdivision or performed by any nongovernmental entity or person because of or related to the presence, suspected presence, release or suspected release of any Hazardous Substance in or into the air, soil, groundwater, surface water or soil vapor at, on, about, under or within the Property (or any portion thereof) or that has migrated from the Property to adjacent or nearby properties, and any claims of third parties for loss or damage due to such Hazardous Substance. In addition, the indemnification provided by this paragraph shall include, without limitation, all loss or damage sustained by the Landlord or any third party claiming by or through the Landlord due to any Hazardous Substance (i) that is present or suspected to be present in the air, soil, groundwater, surface water or soil vapor at, on, about, under or within the Property (or any portion thereof) during the Lease Term, or (ii) that migrates, flows, percolates, diffuses or in any way moves onto, into or under the air, soil, groundwater, surface water or soil vapor at, on, about, under or within the Property (or any portion thereof) or affects adjacent or nearby properties, during the Lease Term, so long as such Hazardous Substance shall be present or suspected to be present in the air, soil, groundwater, surface water or soil vapor at, on, about, under or within the Property (or any portion thereof) as a result of any release, discharge, disposal, dumping, spilling, or leaking (accidental or otherwise) onto the Property (or any portion thereof) originating during the Lease Term and caused by any person or entity other than the indemnitees.

Landlord shall indemnify, protect, defend (with counsel reasonably approved by Tenant) and hold the Tenant, and its directors, officers, shareholders, employees and agents harmless from any Costs that arise directly or indirectly from or in connection with the presence, suspected presence, release or suspected release of any Hazardous Substance in or into the air, soil, surface water, groundwater or soil vapor at, on, about, under or within the Property, or any portion thereof, or that has migrated from the Property to adjacent or nearby properties prior to the Lease Commencement Date, unless the same is caused by the indemnitees or resulted from a cause that originated after Tenant acquired control of the Property. The indemnification provided in this paragraph shall specifically apply to and include claims or actions related to Hazardous Substances brought by or on behalf of employees of Tenant related to Hazardous Substances. In the event the Tenant or any other indemnified party hereunder shall suffer or incur any Costs, Landlord shall pay to the Tenant or any other indemnified party hereunder the total of all such Costs suffered or incurred by it upon demand therefor unless caused by the negligence or misconduct of the indemnified party or its agents or employees. Without limiting the generality of the foregoing, the indemnification provided by this paragraph shall specifically cover Costs, including capital, operating and maintenance costs, incurred in connection

with any investigation, assessment or monitoring of site conditions, any clean-up, containment, remedial, removal or restoration work, including the restoration of natural resource damage, required by any federal, state or local governmental agency or political subdivision thereof, under applicable law or regulation.

26. **Security.** Landlord does not assume and has no duty to provide security in and about the Property for protection of Tenant, its employees, agents, visitors, invitees or licensees from foreseeable criminal acts or criminal activity of any kind or nature whatsoever.

27. **Tenant's Breach and Landlord's Remedies.**

(a) **DEFAULT.** During the term of this Lease, any of the following shall constitute an Event of Default: (i) Tenant shall fail to make the payment of any rent or other sums due under the terms of this Lease for fifteen (15) calendar days after receipt of written notice that the same has not been paid on the due date thereof; or (ii) Tenant shall fail in the performance or observance of any of the other terms, covenants, conditions or agreement of this Lease for thirty (30) days after written notice and demand, or, if such default shall be of such a nature that the same cannot practicably be cured within said thirty (30) day period, Tenant shall not, within said thirty (30) day period, commence the curing and performance of such default or fail to prosecute and complete with due diligence the curing and performance of same; or (iii) the bankruptcy (as hereinafter defined) of Tenant.

As used herein, "bankruptcy" means; Tenant's taking or acquiescing in the taking of any action seeking relief under, or advantage of, the Bankruptcy Code (11 U.S.C. §101 et seq., as amended and in effect from time to time), or any applicable debtor relief, liquidation, receivership, conservatorship, moratorium, rearrangement, insolvency, assignment for benefit of creditors, reorganization or similar federal or state law, rule or regulation as in effect from time to time. For the purpose of this definition, the term "acquiescing" shall include, without limitation, the failure to (a) file, within sixty (60) days after its entry, a petition, answer or motion to vacate or to discharge any order, judgment or decree providing for any relief under any such law, rule or regulation, and (b) have such order, judgment or decree vacated or discharged within ninety (90) days after its entry.

(b) **REMEDIES.** In the event of an occurrence of an Event of Default, Landlord, in addition to any other remedy provided herein or at law, at Landlord's option, may elect to do any one or more of the following with due process of law:

(i) Landlord, at any time after Tenant has failed to cure such Event of Default within the applicable grace period set forth herein, shall give written notice to Tenant and to any Leasehold Mortgagee specifying such Event(s) of Default of Tenant and stating that this Lease and the term hereby demised shall expire and terminate on the date specified in such notice, which shall be at least thirty (30) days after the giving of such notice, during which time Tenant and/or the Leasehold Mortgagee(s) shall have the right to cure such default, and upon the date specified in such notice if the Event of Default has not been cured, then, this Lease and the term hereby demised and all rights of Tenant under this Lease, shall expire and terminate.

(ii) If an Event of Default of Tenant shall occur and the rights of Leasehold Mortgagees shall not have been exercised as provided within this Lease, then Landlord at any time after the period for exercise of rights as set forth herein shall have the following rights and remedies which are cumulative:

- (a) In addition to any and all other remedies in law or in equity that Landlord may have against Tenant, Landlord shall be entitled to sue Tenant for all reasonable damages, costs and expenses arising from Tenant's committing an Event of Default hereunder and to recover all such damages, costs and expenses, including reasonable attorneys' fees at both trial and appellate levels
- (b) to restrain, by injunction, the commission of or attempt or threatened commission of an Event of Default and to obtain a decree specifically compelling performance of any such term or provision of the Lease; and
- (c) to terminate any and all obligations that Landlord may have under this Lease, in which event Landlord shall be released and relieved from any and all liability under this Lease.

If Landlord shall have given notice to any Leasehold Mortgagee, as required herein, such Leasehold Mortgagee shall, have, and be subrogated to, any and all rights of Tenant with respect to the curing of any such Event of Default, but shall also have the right to extend the period of time for curing of any such Event of Default for an additional period of sixty (60) days from the date contained in the notice, or in the case of an Event of Default which cannot be cured within said sixty (60) day period, for such additional period as, with all due diligence and in good faith, is necessary to cure the Event of Default.

Irrespective of any other right a Leasehold Mortgagee may have to maintain this Lease free from default and in the meantime to foreclose its Leasehold Mortgage, such Leasehold Mortgagee, as to any Event of Default of Tenant that may not be cured by the payment of money and which is not susceptible to curing by entry upon the Property or otherwise, shall have the right to further extend the period of time within which to cure such Event of Default of Tenant for such additional period as, with all due diligence and in good faith will enable such Leasehold Mortgagee to institute foreclosure proceedings, apply for the appointment of a receiver for the purpose, among other things, of curing such Event of Default, if such is susceptible to curing, and to acquire by foreclosure Tenant's interest in this Lease, to effect a removal of Tenant from the Property and, in the meantime and at the earliest opportunity, to cure such Event of Default if such is susceptible to curing. In the event the leasehold estate created by this Lease shall have been duly acquired by such Leasehold Mortgagee or any purchaser at a foreclosure sale (hereinafter referred to as "Foreclosure Purchaser") and such Event of Default of Tenant shall have been duly cured, then the notice of termination of this Lease based upon Tenant's failure to timely cure such Event of Default shall be deemed withdrawn, terminated and of no further force or effect. In the event, however, that such Leasehold Mortgagee or any Foreclosure Purchaser fails to cure such Event of Default of Tenant within the time periods set forth herein, Landlord reserves the right to (and must do so to effect a termination) give such Leasehold Mortgagee or any Foreclosure Purchaser, by registered or certified mail, return receipt requested, thirty (30) days' written notice of termination of this Lease due to such failure by the Leasehold Mortgagee or any Foreclosure Purchaser to cure such prior Event of Default by Tenant. After the giving of such notice of termination to such Leasehold Mortgagee or any Foreclosure Purchaser and upon the expiration of the applicable time period set forth herein, during which time such Leasehold Mortgagee, or Foreclosure Purchaser shall have failed to cure such default, this Lease and the term thereof shall end and expire as fully and completely as if the date of expiration of such thirty (30) day period were the day herein definitely fixed for the end and expiration of this Lease or Sublease and the term thereof. If Tenant, such Leasehold Mortgagee, or any Foreclosure Purchaser is in possession either personally or by a receiver, Tenant, such

Leasehold Mortgagee or any Foreclosure Purchaser or such receiver as the case may be, shall then quit and peacefully surrender the Demised Premises to Landlord. Notwithstanding anything contained herein to the contrary, such Leasehold Mortgagee shall not be required to institute foreclosure proceedings if it is able to acquire and does acquire Tenant's interest in the leasehold estate by any other means so long as such Leasehold or Mortgagee fulfills all other requirements of this paragraph.

28. **Waiver of Default.** Failure of Landlord to declare any default immediately upon occurrence thereof, or delay in taking any action in connection therewith, shall not waive such default, but Landlord shall have the right to declare any such default at any time and take such action as might be lawful or authorized hereunder, in law and/or in equity. No waiver by Landlord of a default by Tenant shall be implied, and no express waiver by Landlord shall affect any default other than the default specified in such waiver and that only for the time and extension therein stated.

No waiver of any term, provision, condition or covenant of this Lease by Landlord shall be deemed to imply or constitute a further waiver by Landlord of any other term, provision, condition or covenant of this Lease. In addition to any rights and remedies specifically granted Landlord herein, Landlord shall be entitled to all rights and remedies available at law and in equity in the event that Tenant shall fail to perform any of the terms, provisions, covenants or conditions of this Lease on Tenant's part to be performed or fails to pay Fixed Base Rent, Percentage Rental or any other sums due Landlord hereunder when due. All rights and remedies specifically granted to Landlord herein by law and in equity shall be cumulative and mutually exclusive.

29. **Notice.** All notices, payments, demands or requests shall be deemed to have been properly served or given, if addressed to, Tenant at:

Peninsula Edison Plaza, LLC.  
555 NE 15<sup>th</sup> Street  
Suite 213  
Miami, Florida 33132  
Attn: Mr. Otis Pitts

with copy to

Berman, Rennert, Vogel & Mandler, P.A.  
100 S.E. 2<sup>nd</sup> Street  
Suite 2900  
Miami, Florida 33131  
Attn: Scott D. Levine, Esq.

And to Landlord at:

Edison Marketplace Group, LLC  
c/o Tacoley Economic Development Corporation  
645 NW 62<sup>nd</sup> Street  
Miami, FL 33150

Attn: Carol Gardner, President

with a copy to

Edwards & Carstarphen  
4960 SW 72 Avenue, Suite 301  
Miami, Florida 33155  
Attn: Deborah M. Edwards, Esq.,

and to such other address and to the attention of such other party may, from time to time, designate by written notice to the other. If either party at any time during the term hereof changes its office address as herein stated, such party will promptly give notice of same in writing to the other. The Leasehold Mortgagee shall be deemed to have been properly served or given notice if addressed to such party at the address furnished by the Leasehold Mortgagee to the Landlord and Tenant as set forth herein.

All such notices, demands or requests (a "Notice") shall be sent by: (i) United States registered or certified mail, return receipt requested, (ii) hand delivery, (iii) nationally recognized overnight courier, or (iv) facsimile, provided the transmitting facsimile electronically confirms receipt of the transmission by the receiving facsimile and the original of the Notice is sent by one of the foregoing means of transmitting Notice within 24 hours of the transmission by facsimile. All postage or other charges incurred for transmitting of Notices shall be paid by the party sending same. Such Notices shall be deemed served or given on (i) the date received, (ii) the date delivery of such Notice was refused or unclaimed, or (iii) the date noted on the return receipt or delivery receipt as the date delivery thereof was determined impossible to accomplish because of an unnoticed change of address.

30. **Force Majeure.** Neither Landlord nor Tenant shall required to perform any term, condition, or covenant in this Lease so long as such performance is delayed or prevented by force majeure, which shall mean acts of God, labor disputes (whether lawful or not), material or labor shortages, restrictions by any governmental authority, civil riots, floods, hurricanes, and any other cause not reasonably within the control of Landlord or Tenant and which by the exercise of due diligence Landlord or Tenant is unable, wholly or in part, to prevent or overcome. Lack of money shall not be deemed force majeure.

31. **Radon Gas.** In accordance with the requirement of Florida Statutes Section 404.56(6) the following notice is hereby given:

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 buildings in Florida. Additional information regarding radon and radon testing may be obtained from your County Public Health Unit.

32. **No Waiver.** No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing signed by Landlord and addressed to Tenant, nor shall any custom or practice which may grow up between the parties in the administration of the provisions hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof.

33. **Default Interest.** All past due Fixed Base Rent, Percentage Rent and other sums payable by Tenant under this Lease shall bear interest from the date due until paid at a rate equal to the lesser of eighteen percent (18%) per annum or the maximum non-usurious rate permitted under applicable law from time to time.

34. **Trial by Jury.** It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against to other on any matters arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, and Tenant's use or occupancy of the Property. Tenant further agrees that it shall not interpose any counterclaim or counterclaims in a summary proceeding or in any action based upon non-payment of rent or any other payment required of Tenant hereunder.

35. **Attorney's Fees.** If either party defaults in the performance of any of the terms, provisions, covenants and conditions of this Lease, and by reason thereof the other party employs the services of an attorney to enforce performance of the covenants, or to perform any service based upon defaults, then in any of said events the prevailing party shall be entitled to reasonable attorneys' fees and all expenses and costs incurred by the prevailing party pertaining thereto (including costs and fees relating to any appeal) and in enforcement of any remedy.

36. **Invalidity of Provision.** If any term, provision, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease or the application of such term, provision, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby and each term, provision, covenant or condition of this Lease shall be valid and be enforceable to the fullest extent permitted by law. This Lease shall be construed in accordance with the laws of the State of Florida.

37. **Time of Essence.** It is understood and agreed between the parties hereto that time is of the essence of all the terms, provisions, covenants and conditions of this Lease.

38. **Recording.** A short memorandum of this Lease thereof shall be recorded in the public records of Miami-Dade County, Florida which is executed by Landlord and tenant and memorializes the existence of the agreements contained herein.

39. **Miscellaneous.** The terms Landlord and Tenant as herein contained shall include singular and/or plural, masculine, feminine and/or neuter, heirs, successors, executors, administrators, personal representatives and/or assigns wherever the context so requires or admits. The terms, provisions, covenants and conditions of this Lease are expressed in the total language of this Lease and the section headings are solely for the convenience of the reader and are not intended to be all inclusive. Any formally executed addendum to or modification of this Lease shall be expressly deemed incorporated by reference herein unless a contrary intention is clearly stated herein.

40. **Effective Date.** Submission of this instrument for examination does not constitute an offer, right of first refusal, reservation of or option for the Property or any portion of the Property. This

instrument becomes effective upon execution and delivery by both Landlord and Tenant ("Effective Date") which shall be the latter of the dates that Landlord and Tenant executes this Lease.

41. **Entire Agreement.** This Lease contains the entire agreement between the parties hereto and all previous negotiations leading thereto, and it may be modified only by an agreement in writing signed by Landlord and Tenant. No surrender of the Property, or of the remainder of the terms of this Lease, shall be valid unless accepted by Landlord in writing. Tenant acknowledges and agrees that Tenant has not relied upon any statement, representation, prior written or contemporaneous oral promises, agreement or warranties except such as are expressed herein.

[Remainder of page intentionally left blank. Signatures appear on subsequent page]





**LANDLORD**

**The Marketplace Group, LLC., a Florida limited liability corporation**

By: Tacolcy Economic Development Corporation, a Florida not-for-profit corporation, its Managing Member

By: Carol Gardner  
Print Name: Carol Gardner  
Title: President

Date Signed: 11/22/04

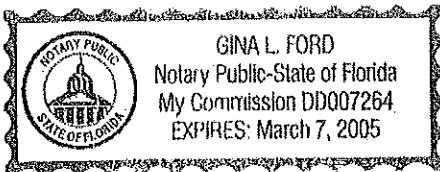
By: Belafonte Tacolcy Center, a Florida not-for-profit corporation, a Member

By: Sabrina Baker-Bouie  
Print Name: Sabrina Baker-Bouie  
Title: Executive Director

Date Signed: 11-23-04

STATE OF FLORIDA            )  
  )    SS  
COUNTY OF MIAMI-DADE    )

The foregoing instrument was acknowledged before me this 23 day of November, 2004 by Carol Gardner, as President of Tacolcy Economic Development Corporation, Managing Member and Sabrina Baker-Bouie, as Executive Director of Belafonte Tacolcy Center, a Member, of The Marketplace Group, LLC, a Florida limited liability corporation, on behalf of said Limited liability company. They are personally known to me or have produced \_\_\_\_\_ as identification and did/did not take an oath.



Gina L. Ford  
Notary Public, State of Florida  
Print Name: GINA L. FORD  
My commission expires: 3/7/05

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL I:**

A portion of Tract B of TACOLCY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 161, at Page 69, of the Public Records of Miami-Dade County, Florida, more particularly described as follows:

The East ½ of Lot 7 and all of Lots 3 through 6, inclusive and all of Lots 13 through 16, inclusive, in Block 6 of, FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6, of the Public Records of Miami-Dade County, Florida.

Together with

A portion of the North ½ of the Right of Way for N.W. 63<sup>rd</sup> Street as dedicated by the plat of FIRST ADDITION TO FOREST PARK recorded in Plat Book 6, Page 6, as affected by Resolution No. 02-1184 vacating a portion of N.W. 63<sup>rd</sup> Street for public use, as adopted by the Miami City Commission on October 29, 2002. NOTE: Resolution 02-1184, bounded on the North by the South line of Lots 13 through 16, in Block 6, of FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6; bounded on the East by the East line of Lot 16, Block 6, of FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6, produced Southerly to the center line of said Right of Way for N.W. 63<sup>rd</sup> Street; bounded on the West by the West line of Lot 13, Block 6, of FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6, produced Southerly to the center line of said Right of Way for N.W. 63<sup>rd</sup> Street; and bounded on the South by the center line of said Right of Way for N.W. 63<sup>rd</sup> Street, situate in Miami-Dade County, Florida.

Together with

All of Tract C of TACOLCY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 161, at Page 69, of the Public Records of Miami-Dade County, Florida.

**PARCEL II:**

A portion of Tract B of TACOLCY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 161, at Page 69, of the Public Records of Miami-Dade County, Florida, more particularly described as follows:

All of Lots 1, 2, 17 and 18, in Block 6 of, FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6, of the Public Records of Miami-Dade County, Florida.

Together with

A portion of the North ½ of the Right of Way for N.W. 63<sup>rd</sup> Street as dedicated by the plat of FIRST ADDITION TO FOREST PARK recorded in Plat Book 6, Page 6, as affected by Resolution No. 02-1184 vacating a portion of N.W. 63<sup>rd</sup> Street for public use, as adopted by the Miami City Commission on October 29, 2002. NOTE: Resolution 02-1184, bounded on the North by the South line of Lots 17 and 18, in Block 6, of FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6; bounded on the East by the East line of Lot 18, Block 6, of FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6, produced Southerly to the center line of said Right of Way for N.W. 63<sup>rd</sup> Street; bounded on the West by the West line of Lot 17, Block 6, of FIRST ADDITION TO FOREST PARK, according to the Plat thereof, as recorded in Plat Book 6, at Page 6, produced Southerly to the center line of said Right of Way for N.W. 63<sup>rd</sup> Street; and bounded on the South by the center line of said Right of Way for N.W. 63<sup>rd</sup> Street, situate in Miami-Dade County, Florida.

Together with

All of Tract D of TACOLCY SUBDIVISION, according to the Plat thereof, as recorded in Plat Book 161, at Page 69, of the Public Records of Miami-Dade County, Florida.

**EXHIBIT "B"**  
**EXISTING DEBT**

TEDC Debt:

1. Current Outstanding Balance of approximately \$72,952 of debt evidenced by an unsecured promissory note in the original principal amount of \$185,000 from Belafonte Tacoley Center, inc., a Florida non-profit corporation, to Tacoley Economic Development Corporation ("TEDC").
2. \$45,000 advancement for real property taxes paid by TEDC .
3. Predevelopment costs funded by TEDC relating to the Property in the total sum of \$128,474.

Miami-Dade Debt:

1. Mortgage from TEDC to Metropolitan Dade County, dated December 31, 1996, filed January 3, 1997 in ORB 17483, Page 1478, securing an obligation in the original principal amount of \$179,066.
2. Unsecured promissory note from TEDC to Metroplctan Dade County in the original principal amount of \$125,000, with a current outstanding balance of \$\_\_\_\_\_.

**EXHIBIT "C"**  
**CITY DEBT**

Current Outstanding Balance of approximately \$400,000 as evidenced by Mortgage from Belafonte Tacolcy Center, inc., a Florida non-profit corporation to City of Miami, dated May 10, 1983, filed May 18, 1983 in ORB 11793, Page 115, securing a promissory note in the original principal amount of \$400,000.

**DE LEON & DE LEON**  
A PROFESSIONAL ASSOCIATION

JAIME A. ALVAREZ  
KIRK D. DE LEON  
NEIL A. DE LEON  
ROY WANDELL

THE CONCORD BUILDING  
66 WEST FLAGLER STREET  
SUITE 800  
MIAMI, FLORIDA 33130-1887

TELEPHONE: (305) 374-5494  
FACSIMILE: (305) 374-5498

**Sent via U.S. Certified Mail and Hand Delivery**  
**7005 1820 0002 0419 7541**

February 1, 2012

Mr. Otis Pitts  
Peninsula Developers, Inc.  
6269 NW 7<sup>th</sup> Avenue, Suite 201  
Miami, Florida 33150

**Re: Notice of Default, Ground Lease Agreement between Edison Marketplace Group, LLC. and Peninsula Edison Plaza, LLC., 645 NW 62<sup>nd</sup> Street, Miami, Florida 33150.**

Dear Mr. Pitts:

This law firm represents the Landlord, Edison Marketplace Group, LLC. ("Edison"), owner of the property located at 645 NW 62<sup>nd</sup> Street, Miami, Florida 33150. In November, 2004 Peninsula Edison Plaza, LLC. ("Peninsula") entered into a commercial lease agreement with the Landlord for the above referenced premises. As such, this letter is being sent to you in accordance with paragraph 27(a) of your Ground Lease Agreement.

Peninsula is currently indebted to Edison Marketplace Group, LLC. in the amount of **\$145,833.50** in rent and use of the property located at 645 NW 62<sup>nd</sup> Street, Miami, Florida 33150 ("Edison Plaza Shopping Center"), for all months up through and including January 2012.

**Failure to tender the full amount of \$145,833.50 to the address shown below within fifteen (15) calendar days after receipt of this letter will be considered an Event of Default.**

This letter also serves as notice that as of February 1, 2012 Peninsula owes Miami-Dade County \$708,756.73 in past due real estate taxes for Folio Numbers, **01 31130940020; 01 31130940030; and 01 31130940040**. Additionally, of the total amount owed, **\$46,586.72** must be paid to the Miami-Dade Tax Collector no later than February 29, 2012. Your failure to tender such payment will result in a tax deed sale of Folio Number 01 31130940020. According to paragraph 6 of the Ground Lease Agreement, Peninsula is responsible to pay all taxes and public charges directly to Miami-Dade County.

**Failure to pay all past due real estate taxes within thirty (30) calendar days after receipt of this letter will also be considered a separate and distinct Event of Default.**

In addition, Peninsula is required to maintain, at all times and at its own expense, the following types of insurance policies: comprehensive general liability insurance; hazard, all-risk, fire and extended coverage; worker's compensation; employer's liability; indemnity coverage; and business interruption insurance. Peninsula is required to provide Edison with a Certificate(s) of Insurance at least 30 days prior to expiration of such policy.

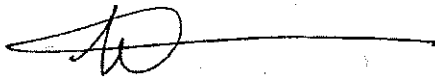
Also, for purposes of calculating Peninsula's Participation Rent under paragraph 5 of the Ground Lease Agreement, Peninsula is obligated to provide Edison with copies of all of its financial statements related to its gross rental income so that Edison can calculate the Annual Project Rental Revenue. See paragraphs 5-5(b) and 23 of the Ground Lease Agreement. Demand is hereby made for proof of all required and current Certificates of Insurance as well as financial statements for 2010 to the present.

**Failure to tender the necessary financial and insurance information to Edison within thirty (30) calendar days after receipt of this letter will also be considered a separate and distinct Event of Default.**

If Peninsula refuses to cure the above referenced defaults within the allotted time period, a notice terminating the tenancy will be delivered and Edison will enforce all of its legal remedies in accordance with Florida law.

**GOVERN YOURSELF ACCORDINGLY.**

Very truly yours,



Kirk D. De Leon, Esq.

cc: Berman, Rennert, Vogel & Mandler, P.A.  
100 S.E. 2<sup>nd</sup> Street, Suite 2900  
Miami, Florida 33131  
Attn: Scott D. Levine, Esq.

Miami-Dade County  
County Attorney's Office  
111 Northwest First Street, Suite 2810  
Miami, Florida 33128

City of Miami Office of the City Attorney  
444 S.W. 2nd Avenue, Suite 945  
Miami, FL 33130



OFFICE OF THE MAYOR  
MIAMI-DADE COUNTY, FLORIDA

Attachment 4

CARLOS A. GIMENEZ  
MAYOR

Transmitted via Facsimile & Certified Mail  
Returned Receipt Requested

March 7, 2012

Peninsula Edison Plaza, LLC  
6269 N.W. 7<sup>th</sup> Avenue, Suite 203  
Miami, FL 33150  
Otis Pitts, Jr., President and Registered Agent

Peninsula Edison Plaza, LLC  
6261 N.W. 7<sup>th</sup> Avenue  
Miami, FL 33150  
Otis Pitts, Jr., President and Registered Agent

Otis Pitts, Jr. Guarantor  
2021 N.W. 194<sup>th</sup> Terrace  
Miami Gardens, FL 33056

**RE: Notice of Default of Promissory Note, Leasehold Mortgage and Construction Loan Agreement between Peninsula Edison Plaza, LLC ("Borrower") and Miami-Dade County ("Lender") - County Loan Number: CDE025**

Dear Mr. Pitts:

Please be advised that Peninsula Edison Plaza, LLC ("Borrower") is in default of the Florida Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement (the "Mortgage") executed on January 31, 2006 and recorded at O.R. Book 24266 Page 1399. Borrower has (i) failed to pay all sums due under the Mortgage at the time and in the manner provided in the Promissory Note made by Borrower to Lender January 31, 2006 in the amount of \$7,200,000 (the "Note"), as described below; (ii) failed to pay all taxes due for the Premises (as defined in the Mortgage), specifically property taxes for 2008, 2009 and 2010 in the total amount of approximately \$527,824.91, as set forth in Section 2 of the Mortgage; (iii) failed to maintain property, general comprehensive liability, and rent insurance as set forth in Section (3)(a) of the Mortgage; and (iv) received a Notice of Event of Default of the Ground Lease Agreement between Edison Marketplace Group, LLC and Borrower, which Notice of Default was dated February 17, 2012.

Borrower is in default of the Note. As of March 6, 2012, Borrower has failed to pay Lender principal, interest (not including default interest) and late charges in the amount of \$1,716,326.98 and has defaulted under the Mortgage securing the Note as set forth above.

Mr. Otis Pitts  
 Peninsula Edison Plaza - County Loan Number: CDE025  
 March 7, 2012  
 Page 2

Borrower is in default of the Construction Loan Agreement executed between Borrower and Lender dated January 31, 2006. Borrower has failed to submit semi-annual financial statements for 2008, 2009, 2010 and 2011, as required by Article IV, Section 13; and has failed to create 206 jobs with at least 51% being held by persons of low or moderate income, as required by Article VII, Sect. (1)(k).

In addition, pursuant to Article VII, Section 1(l) of the Construction Loan Agreement, if by February 1, 2012 at least 51% of the 206 jobs created by Borrower are not held by persons of low or moderate income, the entire outstanding balance of the Loan, together with any prepayment penalty, shall become due and payable within **sixty (60) days** of written notice. In accordance with the Construction Loan Agreement, therefore, the entire outstanding balance of the Note, together with accrued interest and penalties, is due and payable no later than **May 6, 2012**.

Lender previously entered into a Forbearance Agreement with Borrower on March 23, 2009, whereby Lender agreed to accept a reduced monthly payment for nine (9) months. Following the expiration of the Forbearance Agreement, Borrower failed to commence its regular monthly payments in the amount of \$52,891.55, which were due to begin January 1, 2010.

As of February 29, 2012, the amount of debt owed by Borrower to Lender is **\$10,396,985.21**, which has been computed as follows:

**Note:**

|   |                        |
|---|------------------------|
| Principal Balance                                 | \$7,200,000.00         |
| Interest Due @ Note Rate (3/1/07 through 1/31/09) | \$1,288,889.75         |
| Default Interest (1/1/10 though 2/21/12)          | \$1,884,230.14         |
| Late Charges                                      | \$ 125,865.32          |
| Amount Paid Since 3/1/07                          | (\$ 102,000.00)        |
| <b>Total Amount Due</b>                           | <b>\$10,396,985.21</b> |

The above amount is valid through March 6, 2012. Subsequent to March 6, 2012, the principal balance will continue to accrue interest at the Default Rate, and the amount of the Debt will continue to increase.

**Borrower has thirty (30) days to cure the Events of Default listed above. If Borrower fails to cure these Events of Defaults within the thirty (30) day cure period, Lender shall foreclose upon the leasehold mortgage, otherwise enforce and protect its security for the Note, and seek any and all remedies available to Lender at law or equity.**

Sincerely,



Russell Benford  
 Deputy Mayor



Mr. Otis Pitts  
Peninsula Edison Plaza - County Loan Number: CDE025  
March 7, 2012  
Page 3

Copy to: Albert E. Dotson, Counsel for Peninsula Edison Plaza, LLC  
Bilzin Sumberg  
1450 Brickell Avenue, Suite 2300  
Miami, FL 33131

Carol Gardner  
Edison Marketplace Group, LLC  
645 NW 62 Street, Miami FL 33150

Kirk De Leon, Counsel for Edison Marketplace Group, LLC  
De Leon & De Leon  
The Concord Building  
66 West Flagler Street, Suite 800  
Miami, FL 33130

George Mensah, Director, Department of Community Development  
City of Miami  
444 SW 2<sup>nd</sup> Ave  
Miami, FL 33130

Julie O. Bru, City Attorney  
City of Miami  
444 SW 2<sup>nd</sup> Ave  
Miami, FL 33130

Ninoshka Reyes, Assistant City Attorney  
City of Miami  
444 SW 2<sup>nd</sup> Ave  
Miami, FL 33130

Brenda Kuhns Neuman, Assistant County Attorney  
Miami-Dade County  
111 N.W. 1<sup>st</sup> Street, 28<sup>th</sup> Floor  
Miami, FL 33128

Gregg Fortner, Director, Public Housing and Community Development  
Miami Dade County  
701 NW 1<sup>st</sup> Court 14<sup>th</sup> Floor  
Miami, FL 33136

Leyani Sosa, Public Housing and Community Development  
Miami Dade County  
701 NW 1<sup>st</sup> Court 14<sup>th</sup> Floor  
Miami, FL 33136

**Request For Information (RFI)  
For  
Miami-Dade Public Housing and Community Development (MDPHCD) Edison Marketplace**

**The County's contact person for this RFI is:**

**Indira Rajkumar-Futch  
Telephone: (786) 469-4164  
Fax: (786) 469-4151  
E-mail: indi@miamidade.gov**

**RESPONSES ARE DUE NO LATER THAN  
Friday, June 28, 2013 at 4:00 p.m. (local time)  
at**

**Miami-Dade Public Housing and Community Development (MDPHCD)  
Administrative Services Division, Procurement Unit  
Overtown Transit Village North | 701 NW 1 Court, 16th Floor | Miami, FL 33136**

**Project Objective**

The objective of this Request for Information (RFI) is to identify qualified proposers interested in entering into a Leasehold Purchase and Sale Agreement (Agreement) with Miami-Dade County (County) on property (Edison Marketplace - Peninsula Edison Plaza) located at 6261 N.W. 7th Avenue, Miami, Florida, 33150 . The County has foreclosed on its interest in the leasehold mortgage with the lessee due to several defaults of the leasehold mortgage. The County has obtained a Certificate of Title for the real property and will be accepting offers to purchase its interest in the property.

Offers submitted in relation to this RFI will be considered from prospective buyers for a Leasehold Purchase and Sale Agreement of the property stated herein as evidenced by a duly executed letter of interest.

**Scope**

**1.0 SCOPE OF PROPOSAL/TECHNICAL SPECIFICATIONS:**

The Edison Marketplace is a shopping center located on NW 62nd Street and 7th Avenue. The gross square footage of Edison Marketplace is 81,400 with 75,197 square feet as leasable (92 percent of the gross square footage.). Edison Marketplace is anchored by Presidente Supermarket and supported by Family Dollar and Rainbow Fashions. Additional franchise tenants include GameStop, Wingstop and Footlocker stores.

Florida Statute 125.045 authorizes the County to lease or convey real property to private enterprises for the expansion of businesses existing in the community for the following purposes: (i) it is necessary and in the public interest to facilitate the growth and creation of business enterprises in the counties of the state; (ii) the governing body of the County may expend public funds to retain business enterprises, and the use of public funds toward the achievement of such economic development goals constitutes a public purpose; the provisions of the statute can be exercised by the

governing body of the County and must be liberally construed in order to effectively carry out the purposes of the statute; (iii) it constitutes a public purpose to expend public funds for economic development activities, including, but not limited to, developing or improving local infrastructure, leasing or conveying real property, and making grants to private enterprises for the expansion of businesses existing in the community.

Prospective Buyers shall comply with all applicable federal, state and local laws, rules, regulations, ordinances and codes required under any resulting Agreement.

**2.2. LOCATION:** Edison Marketplace is 81,400 with 75,197 square feet as leasable consisting of three parcels (Folio Nos. 01-31113-094-0020, 01-31113-094-0030, and 01-31113-094-0040).

- Attachments:
- Edison Marketplace - Occupancy Summary
  - Edison Marketplace - Ground Lease

It is hereby certified and affirmed that the Prospective Buyer complies with the requirements herein and that offers will remain fixed for a period of forty-five (45) days from the RFI due date.

Authorized Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
 Print/Type Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
 E-mail: \_\_\_\_\_ Fax: \_\_\_\_\_  
 Firm Name: \_\_\_\_\_ F.E.I. ID No.: \_\_\_\_/\_\_\_\_/\_\_\_\_/\_\_\_\_/\_\_\_\_/\_\_\_\_/\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_