

MEMORANDUM

Agenda Item No. 8(F)(2)

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


DATE: November 5, 2013

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

SUBJECT: Resolution approving terms of
and authorizing execution by the
County Mayor of a lease
agreement between Miami-Dade
County and PSBP Industrial,
LLC, a Delaware Limited
Liability Company, for premises
located at 1501-1523 and 1561-
1579 N.W. 79 Avenue, Miami,
Florida, to be utilized by Miami-
Dade Police Department as
administrative offices

Resolution No. R-888-13

The accompanying resolution was prepared by the Internal Services Department and placed on the agenda at the request of Prime Sponsor Commissioner Jose "Pepe" Diaz.



R. A. Cuevas, Jr.
County Attorney


RAC/cp

Memorandum



Date: November 5, 2013

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

From: Carlos A. Gimenez, Mayor 

Subject: Lease Agreement between Miami-Dade County and PSBP Industrial, LLC, a Delaware Limited Liability Company, for Miami-Dade Police Department Administrative Offices Located at 1501-1523 and 1561-1579 N.W. 79 Avenue, Doral, Florida - Lease No. 35-3034-003-0010-LO1

Recommendation

It is recommended that the Board of County Commissioners (Board) approve the attached resolution, which authorizes the execution of a Lease Agreement between Miami-Dade County (Tenant) and PSBP Industrial, LLC (Landlord), a Delaware limited liability company, for the Miami-Dade Police Department (MDPD). More specifically, the resolution does the following:

- Authorizes the leasing of 34,320 square feet of air conditioned office space; and
- Authorizes a lease term of five years, plus one additional five year renewal option period.

Scope

The property is located at 1501-1523 and 1561-1579 NW 79 Avenue, Doral, Florida, which is in Commission District 12 and represented by Commissioner Jose "Pepe" Diaz.

Fiscal Impact/Funding Source

The total fiscal impact for the first year of the initial lease term will be \$479,450. This amount is comprised of \$403,260 in annual base rent (approximately \$11.75 per square foot), \$60,060 for electricity, and a \$16,130 lease management fee. The total projected fiscal impact for the initial five-year lease term, plus the additional five-year renewal option term is estimated to be \$5,503,891. The funding source is the General Fund.

Track Record/Monitor

The County has no record of negative performance issues with the Landlord, PSBP Industrial, LLC. Linda Weber, Real Estate Development Division, Internal Services Department is the lease monitor.

Delegation of Authority

Authorizes the County Mayor or the County Mayor's designee to execute the attached Lease Agreement, and exercise the renewal and cancellation provisions.

Background

The MDPD has been at this location since 2006, with the original lease approved by the Board through R-651-06. The current lease expires on June 21, 2013, but contains a "Holdover" provision which allows the County to continue occupying the space on a month-to-month basis until the proposed Lease is approved.

Additional Lease details are as follows:

PRINCIPALS:

Joseph D. Russell, Jr.	-	President, CEO
Edward A. Stokx	-	Executive Vice President, CFO
John W. Petersen	-	Executive Vice President, COO
Viola I. Sanchez	-	Vice President, Southeast

JUSTIFICATION: The MDPD has a need to continue utilizing this facility as administrative offices.

LEASE TERM: Five years, plus one additional five year renewal option period.

EFFECTIVE DATES: Commencing on the first day of the month following the effective date of the resolution approving the Lease Agreement, and terminating five years thereafter.

CURRENT RENTAL RATE: The current base rent is \$410,124 dollars, which is equal to \$11.95 per square foot on an annual basis. Additionally, there is an annual prorated share of the building's common area maintenance, which is currently \$11,136.

PROPOSED RENTAL RATE: Upon commencement of the new lease, the rent for the first year will be \$403,260, which is \$11.75 per square foot. The annual base rent for the initial five-year lease term and the additional five-year renewal option period, is structured to increase by three percent annually.

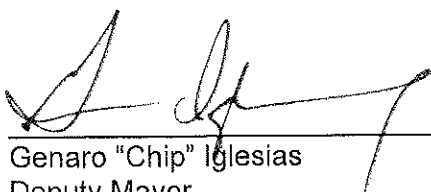
Additionally, the County shall reimburse the Landlord for its pro-rata share of any increase in Common Area Maintenance, such as insurance costs and real estate taxes for the portions that exceed the 2013 base year. The CAM costs are estimated to be \$3.83 per square foot on an annual basis.

LEASE CONDITIONS: The Landlord is responsible for the maintenance of the building, common areas, structural elements of the building, plumbing and electrical lines, fixtures, equipment, fire equipment, HVAC system, water and waste disposal services, trash disposal, janitorial and custodial services, and custodial care of the parking lot and landscaping. The County is responsible for the electricity used by the tenant.

CANCELLATION PROVISION: The County may cancel at any time by giving the Landlord 120 days written notice prior to its effective date.

OTHER PROPERTIES EVALUATED: 8501 N.W. 17 Street - \$12.00 per square foot – No tenant improvement funds were available and inadequate parking.

1701-1923 N.W. 82 Avenue - \$18.00 per square foot – Available space was insufficient.


Genaro "Chip" Iglesias
Deputy Mayor



MEMORANDUM
(Revised)

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

DATE: November 5, 2013

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

SUBJECT: Agenda Item No. 8(F)(2)

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(F)(2)
11-5-13

RESOLUTION NO. R-888-13

RESOLUTION APPROVING TERMS OF AND AUTHORIZING EXECUTION BY THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE OF A LEASE AGREEMENT BETWEEN MIAMI-DADE COUNTY AND PSBP INDUSTRIAL, LLC, A DELAWARE LIMITED LIABILITY COMPANY, FOR PREMISES LOCATED AT 1501-1523 AND 1561-1579 N.W. 79 AVENUE, MIAMI, FLORIDA, TO BE UTILIZED BY MIAMI-DADE POLICE DEPARTMENT AS ADMINISTRATIVE OFFICES, WITH A TOTAL FISCAL IMPACT TO THE COUNTY ESTIMATED TO BE \$5,503,891 FOR THE INITIAL FIVE-YEAR TERM OF THE LEASE AND THE ADDITIONAL FIVE-YEAR RENEWAL OPTION PERIOD; AND AUTHORIZING THE COUNTY MAYOR OR THE COUNTY MAYOR'S DESIGNEE TO EXERCISE ANY AND ALL OTHER RIGHTS CONFERRED THEREIN

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby approves of the terms of the Lease Agreement between Miami-Dade County and PSBP Industrial, LLC, a Delaware limited liability company, for premises to be utilized by Miami-Dade Police Department as administrative offices, with a total fiscal impact to Miami-Dade County estimated to be \$5,503,891 for the initial five-year term of the Lease Agreement, and the additional five-year renewal option period, in substantially the form attached hereto and made a part hereof; authorizes the County Mayor or the County Mayor's designee to execute same, for and on behalf of Miami-Dade County; and authorizes the County Mayor or the County Mayor's designee to exercise any and all other rights conferred therein.

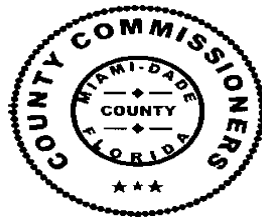
The foregoing resolution was offered by Commissioner **Sally A. Heyman**, who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

	Rebeca Sosa, Chairwoman	aye
	Lynda Bell, Vice Chair	absent
Bruno A. Barreiro	aye	Esteban L. Bovo, Jr. aye
Jose "Pepe" Diaz	aye	Audrey M. Edmonson aye
Sally A. Heyman	aye	Barbara J. Jordan aye
Jean Monestime	aye	Dennis C. Moss absent
Sen. Javier D. Souto	absent	Xavier L. Suarez aye
Juan C. Zapata	aye	

The Chairperson thereupon declared the resolution duly passed and adopted this 5th day of November, 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: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

GBK

Geri Bonzon-Keenan

LEASE AGREEMENT

 THIS AGREEMENT made on the _____ day of _____, 2013 by and between PSBP INDUSTRIAL, LLC, a Delaware limited liability company, hereinafter called the "LANDLORD," and MIAMI-DADE COUNTY, a political subdivision of the State of Florida, hereinafter called the "TENANT,"

WITNESSETH:

That LANDLORD, for and in consideration of the restrictions and covenants herein contained, hereby leases to TENANT and TENANT hereby agrees to lease from LANDLORD the demised premises described as follows:

Approximately 34,320 square feet of air-conditioned office space located at 1501-1523 and 1561-1579 N.W. 79 Avenue, Miami, together with a parking area for approximately three vehicles per 1,000 square feet of leased space located on the property and in common with other tenants. (See Exhibit "A" attached hereto).

TO HAVE AND TO HOLD unto the said TENANT for a term of five (5) years, plus one (1) additional five-year renewal option period commencing on the first day of the next calendar month following the effective date of the resolution by the Board of County Commissioners approving this Lease Agreement, (the "Commencement Date"), and terminating five years thereafter. The annual base rent for the first lease year shall be Four Hundred Three Thousand Two Hundred Sixty Dollars and 00/100 (\$403,260.00), payable in twelve equal monthly installments of Thirty-Three Thousand Six Hundred Five Dollars and 00/100 (\$33,605.00), payable in advance on the first day of every month at P.O. Box 535003, Atlanta, GA 30353-5003, or at such other place and to such other person as LANDLORD may from time to time designate in writing, as set forth herein. The annual base rent for the second, third, fourth and fifth years of the initial lease term and any subsequent renewal option period shall be adjusted by a three percent (3%) increase each year, as follows:

Lease # 35-3034-003-0010-LO1

<u>Year</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>	<u>Per Square Foot</u>
2	\$34,613.15	\$415,357.80	\$12.10
3	\$35,651.54	\$427,818.48	\$12.47
4	\$36,721.09	\$440,653.08	\$12.84
5	\$37,822.72	\$453,872.64	\$13.22

The October monthly installment rental payment for each year will be processed by the County after the close of the County's fiscal year on September 30. Therefore, October's payment may be delayed each year and LANDLORD is so acknowledging this fact without penalty to TENANT.

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

ARTICLE I
USE OF DEMISED PREMISES

The area of the premises shall be used by TENANT for the performance of County business by County departments, agencies and authorities and for the performance of work incidental thereto, which will necessarily entail services performed for the general public. LANDLORD acknowledges and agrees that TENANT's use of the premises shall be on a twenty-four (24) hour a day, year round basis and that such use may not be a typical use of the premises.

ARTICLE II
CONDITION OF DEMISED PREMISES

TENANT hereby accepts the demised premises to be in a state of good repair and suitable for usage by TENANT at the commencement of this Lease Agreement.

ARTICLE III
UTILITIES

LANDLORD, during the term hereof, shall pay all charges for water and waste disposal services, used by the TENANT.

TENANT, during the term hereof, shall pay for electricity used by the TENANT.

ARTICLE IV
ADDITIONAL RENT

Common Area Maintenance: Commencing with the second Lease Year throughout the term of this Lease, the TENANT will pay to the LANDLORD, in addition to the rental otherwise specified herein, and due as additional rent, their prorated share of any increase of Common Area Maintenance expenses above the base year 2013. The fee for each of the subsequent years will be based on estimated operating expenses to be submitted by the LANDLORD to the TENANT. The term "Common Area Maintenance" shall mean the total cost and expenses incurred in connection with the management, operation, insuring, preventive and corrective maintenance and repair of the Building, the implementation and costs for which shall be at the sole discretion of LANDLORD, whether paid to employees of Landlord or parties engaged by Landlord, including without limitation; landscaping, building repairs, line painting, building painting, property maintenance allocations, lift stations, administration of water and sewer facilities, personal property and real estate taxes, bumpering and top coating; lighting fixture repair or replacement; fire sprinkler systems inspection and maintenance; inspections; electricity; sanitary control; rental of machinery or equipment used in such maintenance; administration of capital reserves and ADA compliance requirements; the cost of personnel to implement such services (including social security, unemployment and disability insurance); property owner association fees assessed to the Building and General liability insurance as well as any other insurances deemed necessary by the Landlord.

At the TENANT's request, the LANDLORD shall furnish the TENANT a statement and subject to an audit by the TENANT or TENANT's representative of the actual Office park's "Common Area Maintenance" operating expenses, there shall be an adjustment between the LANDLORD and the TENANT with payment or repayment by the LANDLORD as the case may require, to the end that the LANDLORD shall receive the entire amount of the TENANT's annual share for each period or, at the succeeding payment by the TENANT of such expenses.

ARTICLE V
MAINTENANCE

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

Plumbing and electrical lines, fixtures, and equipment;
Trash and refuse disposal;
HVAC System (See Exhibit "B" attached hereto)
Janitorial and Custodial Services; (See Exhibit "C" attached hereto)
Roof and roof leaks;
Windows, doors, and frames
Fire equipment; including inspection as required by applicable fire codes.
Replacement of bulbs;
Exterminating Services;

LANDLORD, at its sole cost and expense, shall perform or cause to be performed in the demised premises during the term of this Lease Agreement (except for Saturdays, Sundays, and holidays) during working hours the aforementioned services as described above.

Upon the failure of LANDLORD to effect repairs or perform the above-stated services pursuant to this Lease Agreement after five (5) days' written notification to do so by TENANT, TENANT may cause the repairs to be made and deduct their cost from the rental payments due and to become due until in each instance TENANT has fully recovered such costs in accordance with audited costs of repair furnished by TENANT to LANDLORD. In the event of an emergency, TENANT after proper notification to the LANDLORD and failure of the LANDLORD to take immediate action, may perform repairs that are the LANDLORD's responsibility and receive a credit against rental payments or a cash reimbursement from LANDLORD for the actual costs thereof. During the term of this Lease Agreement or any renewal thereof, if in TENANT's reasonable judgment a condition exists with respect to any matter in which the LANDLORD is obligated to maintain, that which adversely affects TENANT's operations, and after proper notice, LANDLORD fails to repair same as required, TENANT may make such repairs and deduct the cost thereof from rental payments or any other amounts due to LANDLORD hereunder. All of the aforesaid repairs shall be made with reasonable diligence and in a good and workmanlike manner.

ARTICLE VI
ALTERATIONS BY TENANT

TENANT may not make any alterations, additions, or improvements in or to the demised premises without the written consent of LANDLORD. All additions, fixtures, or improvements (except but not limited to office furniture and fixtures which are readily removable without injury to the demised premises) shall be and remain a part of the demised premises at the expiration of this Lease Agreement. Subject to the above, removable partitions installed by TENANT within the demised premises shall remain TENANT's property and may be removed by TENANT upon the expiration of the Lease Agreement or any renewal or cancellation hereof. Throughout the term of this Agreement, LANDLORD agrees to provide any additions, fixtures, or other improvements that TENANT may request, and TENANT shall reimburse LANDLORD for any such additions, fixtures, or improvements separately invoiced to the TENANT at the rates agreed-upon with the LANDLORD for such services.

ARTICLE VII
DESTRUCTION OF DEMISED PREMISES

In the event the demised premises or any portion thereof should be destroyed or so damaged by fire, windstorm, or other casualty, either party may cancel this Lease Agreement for its convenience by the giving of written notice to the other at any time after the occurrence of the fire, windstorm, or other casualty. In the event of cancellation under this Article, neither party shall be responsible to the other party for any expense associated with the cancellation, and TENANT shall only be liable to LANDLORD for such rents as may be due as of the date of such fire, windstorm, or other casualty.

If neither party shall exercise the foregoing right of cancellation, LANDLORD shall cause the building and demised premises to be repaired and placed in good condition within one hundred twenty (120) days following the date of casualty, time being of the essence. If the demised premises sustained damages such that repairs cannot be completed within one hundred twenty (120) days, TENANT shall be entitled to cancel the Lease Agreement by the giving of written notice to LANDLORD at any time, notwithstanding the commencement of any repairs by LANDLORD. TENANT shall not be liable for rent during such period of time as the demised premises shall be untenable by reason of fire, windstorm or other casualty.

In the event of partial destruction or damages to the demised premises which do not render the demised premises untenable, the rents shall be proportionately abated in accordance with the extent to which TENANT is deprived of use, occupancy or full enjoyment of the premises, unless TENANT exercises its right of cancellation as set forth above.

ARTICLE VIII **DISABLED INDIVIDUALS**

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

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

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

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

ARTICLE IX
NO LIABILITY FOR PERSONAL PROPERTY

All personal property placed or moved in the demised premises above described shall be at the risk of TENANT or the owner thereof. LANDLORD shall not be liable to TENANT for any damage to said personal property unless caused by or due to negligence or willful misconduct of LANDLORD, LANDLORD's agents or employees.

ARTICLE X
SIGNS

Exterior signs will be of the design and form of letter to be first approved by LANDLORD, the cost of installation to be paid by TENANT. All signs shall be removed by TENANT at termination of this Lease Agreement and any damage or unsightly condition caused to the building because of or due to said signs shall be satisfactorily corrected or repaired by TENANT prior to vacating the building.

ARTICLE XI
LANDLORD'S RIGHT OF ENTRY

LANDLORD or any of its agents shall have the right to enter said demised premises during all reasonable working hours, upon the giving of twenty-four (24) hours' prior notice, unless an emergency exists, to examine the same or to make such repairs, additions, or alterations as may be deemed necessary for the safety, comfort, or preservation thereof of said building or to exhibit said demised premises and to put or keep upon the doors or windows thereof a notice "FOR RENT" at any time within sixty (60) days before the expiration of this Lease Agreement.

ARTICLE XII
LIABILITY FOR DAMAGE OR INJURY

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

ARTICLE XIII
PEACEFUL POSSESSION

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

ARTICLE XIV
SURRENDER OF DEMISED PREMISES

TENANT agrees to surrender to LANDLORD at the end of the term of this Lease Agreement, or any extension thereof, said demised premises in as good condition as said demised premises were at the beginning of the term of this Lease Agreement, ordinary wear and tear and damage by fire and windstorm or other acts of God excepted.

ARTICLE XV
INDEMNIFICATION AND HOLD HARMLESS

LANDLORD shall indemnify and hold harmless the TENANT and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the TENANT or its officers, employees, agents or instrumentalities may incur as a result of the LANDLORD's negligence or its employees, agents, servants, partners, principals or subcontractors. LANDLORD shall pay all claims and losses in connections therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the TENANT, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. LANDLORD expressly understands and agrees that any insurance protection required by this AGREEMENT or otherwise provided by LANDLORD shall in no way limit the responsibility to indemnify, keep and save harmless and defend the TENANT, or its officers, employees, agents, and instrumentalities as herein provided.

TENANT does hereby agree to indemnify and hold harmless the LANDLORD to the extent and within the limitations of Section 768.28, Florida Statutes, subject to the provisions of that Statute whereby the TENANT shall not be held liable to pay a personal injury or property damage claim or judgment by

any one person which exceeds the sum of \$200,000, or any claim or judgments or portions thereof, which, when totaled with all other occurrence, exceeds the sum of \$300,000 from any and all personal injury or property damage claims, liabilities, losses or causes of action which may arise solely as a result of the negligence of the TENANT. However, nothing herein shall be deemed to indemnify the LANDLORD from any liability or claim arising out of the negligent performance or failure of performance of the LANDLORD or any unrelated third party.

ARTICLE XVI
ASSIGNMENT BY LANDLORD

If the interests of LANDLORD under this Lease Agreement shall be transferred voluntarily or by reason of foreclosure or other proceedings for enforcement of any mortgage on the demised premises, TENANT shall be bound to such transferee (herein sometimes called the "Purchaser") for the balance of the term hereof remaining, and any extension or renewals thereof which may be effected in accordance with the terms and provisions hereof, with the same force and effect as if the Purchaser were the LANDLORD under this Lease Agreement, and TENANT does hereby agree to attorn to the Purchaser, including the Mortgagee under any such mortgage if it be the Purchaser, as its LANDLORD, said attornment to be effective and self-operative without the execution of any further instruments upon the Purchaser succeeding to the interest of the LANDLORD under this Lease Agreement. The respective rights and obligations of TENANT and the Purchaser upon such attornment, to the extent of the then remaining balance of the term of this Lease Agreement and any such extensions and renewals, shall be and are the same as those set forth herein. In the event of such transfer of LANDLORD's interests, LANDLORD shall be released and relieved from all liabilities and responsibility to TENANT thereafter accruing under this Lease Agreement or otherwise and LANDLORD's successor by acceptance of rent from TENANT hereunder shall become liable and responsible to TENANT in respect to all obligations of the LANDLORD under this Lease Agreement.

ARTICLE XVII
NON-DISTURBANCE

The Lease Agreement shall be subordinate and subject to all ground or underlying leases and mortgages covering the fee of the property, or which at any time thereafter affect the property, and to all renewals, modifications, or replacements thereof; provided, however, that with respect to any ground lease agreement, underlying lease agreement, or mortgage subsequent to the date of this Lease Agreement, such subordination shall not be effective unless and until LANDLORD shall obtain from any and all such ground lessors, underlying lessors, and/or lenders a written agreement with TENANT wherein any and all such ground lessors, underlying lessors, and/or lenders shall agree that the Lease Agreement shall not be divested or in any way affected by foreclosure, other default proceedings, or other succession in interest by or under any ground lease agreement, lease agreement mortgage, or obligation secured thereby, so long as TENANT complies with the terms, conditions, and covenants of this Lease Agreement and performs its obligations under this Lease Agreement (said agreement being referred to herein as a "Non-Disturbance Agreement"). If LANDLORD shall so fail to obtain a Non-Disturbance Agreement from any ground lessor, holder of any mortgage, or underlying lessor, then the parties recognize that this Lease Agreement shall be and remain superior to any such ground lease agreement, underlying lease agreement, and/or mortgage entered into or executed subsequent to the date of this Lease Agreement. Further, with respect to any and all existing ground lease agreement, underlying lease agreement, and/or mortgage, prior to the commencement of the construction of LANDLORD's Work LANDLORD shall obtain from any and all ground lessors, underlying lessors, and/or lenders a Non-Disturbance Agreement. LANDLORD and TENANT agree that the terms, conditions, and covenants contained here in shall not be altered or affected by any subsequent change in ownership of the Property by reason of foreclosure, conveyance, or otherwise. Any document purporting to transfer ownership in the Property, whether presently in existence or not, shall be subordinate to this Lease Agreement, and subject to the terms, obligations, and covenants herein. In the event that a change of ownership in the Property results in any additional costs to TENANT by material alteration of the terms of this Lease Agreement, LANDLORD agrees to indemnify TENANT for such costs.

ARTICLE XVIII
SUCCESSORS IN INTEREST

It is hereby covenanted and agreed between the parties that all covenants, conditions, agreements,

and undertakings contained in this Lease Agreement shall extend to and be binding on the respective successors and assigns of the respective parties hereto, the same as if they were in every case named and expressed.

ARTICLE XIX
NOTICES

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

TENANT:
Miami-Dade County
Internal Services Department
Real Estate Development Division
111 N.W. First Street, Suite 2460
Miami, Florida 33128

LANDLORD:
PSBP Industrial, LLC
8216 N.W. 14 Street
Doral, Florida 33126

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

ARTICLE XX
OPTION TO RENEW

Provided this Lease Agreement is not otherwise in default, TENANT, through its County Mayor or the County Mayor's designee, is hereby granted the option to extend this Lease Agreement for one (1) additional five (5) year renewal option periods upon the same terms and conditions, except that the rental rate shall be adjusted each year of the renewal period with a three percent (3%) increase, as indicated herein, by giving LANDLORD notice in writing at least ninety (90) days prior to the expiration of this Lease Agreement or any extension thereof. Should TENANT neglect to exercise any extension option by the date specified above, TENANT's right to exercise shall not expire until sixty (60) business days after

notice from LANDLORD of TENANT's failure to exercise the option.

ARTICLE XXI
TERMINATION RIGHTS OF TENANT

TENANT, through its County Mayor or the County Mayor's designee, shall have the right to terminate this Lease Agreement, or any portion thereof, by giving LANDLORD at least one hundred twenty (120) days written notice prior to its effective date.

ARTICLE XXII
MAINTENANCE AND JANITORIAL SERVICES

LANDLORD, at its sole cost and expense, shall perform or cause to be performed in the demised premises, on a daily basis during the term of this Lease Agreement (except for Saturdays, Sundays and holidays) after 5:00 p.m. , the maintenance and janitorial services with respect to the demised premises; as per Exhibit "C" "Janitorial Services" attached hereto and made a part hereof.

LANDLORD shall repair, replace and maintain, at its sole cost and expense, the HVAC, electrical, mechanical, utility and plumbing systems servicing the demised premises, the roof and all other structural elements of the building except for damages to the interior of the demised premises caused by the negligence or willful misconduct of TENANT.

ARTICLE XXIII
HEATING, VENTILATION, AND AIR-CONDITIONING

LANDLORD acknowledges that it is responsible for providing and maintaining, at no cost or expense to TENANT, a good, sufficient, and safe heating, ventilation, and air conditioning system to cool and heat the entire demised premises uniformly, and sufficient with TENANT's use of the demised premises.

LANDLORD shall be required to initiate and maintain a commercial HVAC system maintenance contract, or contracts, which shall call for regular maintenance and service to such systems in accordance with industry standards; as per Exhibit "B" "HVAC Preventative Maintenance for Leased Space" attached hereto and made a part hereof.

ARTICLE XXIV
WAIVER OF LANDLORD'S LIEN

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

ARTICLE XXV
FORCE MAJEURE

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

ARTICLE XXVI
LANDLORD'S DEFAULT

It shall constitute a default of this Lease Agreement by LANDLORD if, except as otherwise provided in this Lease Agreement, LANDLORD fails to observe or perform any of the covenants, conditions, or provisions of this Lease Agreement to be observed or performed by LANDLORD, where such failure shall continue for a period of thirty (30) days after written notice thereof from TENANT to LANDLORD; provided, however, that if the nature of LANDLORD's non-compliance is such that more than thirty (30) days are reasonably required for its cure, then LANDLORD shall not be deemed to be in default if LANDLORD commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion. In the event of any such default by LANDLORD, TENANT may at any time terminate this Lease Agreement within seven (7) days written notice to LANDLORD or bring an

action for damages, or injunctive relief (it being recognized that in such event TENANT is irreparably harmed for which there is no adequate remedy at law). No remedy of TENANT provided for in the Lease Agreement shall be considered to exclude or suspend any other remedy provided for herein, but the same shall be cumulative and in addition to TENANT's remedies at law or in equity.

ARTICLE XXVII
WAIVER

If, under the provisions hereof, LANDLORD or TENANT shall institute proceedings and a compromise or settlement thereof shall be made, the same shall not constitute a waiver of any covenant herein contained nor of any of LANDLORD's or TENANT'S rights hereunder, unless expressly stated in such settlement agreement. No waiver by LANDLORD or TENANT of any provision hereof shall be deemed to have been made unless expressed in writing and signed by both parties. No waiver by LANDLORD or TENANT of any breach of covenant, condition, or agreement herein contained shall operate as a waiver of such covenant, condition, or agreement itself, or of any subsequent breach thereof. No payment by TENANT or receipt by LANDLORD of lesser amount than the monthly installments of rent (or additional rent obligations stipulated) shall be deemed to be other than on account of the earliest stipulated rent nor shall any endorsement or statement on any check or letter accompanying a check for payment of rent or any other amounts to LANDLORD be deemed an accord and satisfaction and LANDLORD may accept such check or payment without prejudice to or waiver of LANDLORD's right to recover the balance of such rent or other amount owed or to pursue any other remedy provided in this Lease Agreement. No reentry by LANDLORD and no acceptance by LANDLORD of keys from TENANT shall be considered an acceptance of a surrender of this Lease Agreement.

ARTICLE XXVIII
DEFAULT OF TENANT

If TENANT shall fail to pay any monthly installment or item of rent on the date when the same becomes due or shall violate or fail to perform any of the other conditions, covenants, or agreements

herein made by TENANT, and if such violation or failure continues for a period of thirty (30) days after written notice thereof to TENANT by LANDLORD, except for failure to pay rent, which shall have a fifteen (15) day period for cure after written notice thereof to TENANT by LANDLORD, and further, if TENANT shall be diligently attempting to cure such failure to perform any other conditions, covenants, or agreements, the time to cure, such failure shall be extended for so long as TENANT shall diligently prosecute (such cure) then LANDLORD may proceed with any remedy available at law or in equity in the State of Florida or by such other proceedings, including reentry and possession, as may be applicable. All rights and remedies of LANDLORD under this Lease Agreement shall be cumulative and shall not be exclusive of any other rights and remedies provided to LANDLORD under applicable law.

ARTICLE XXIX
LANDLORD'S RIGHT TO REPAIR

LANDLORD shall have access to all air conditioning and heating equipment and to all other mechanical, electrical, plumbing and utility installations servicing the Building and the demised premises upon twenty-four (24) hours prior written notice to TENANT, except in the event of an emergency, in which case such notice shall be reasonable under the circumstances. LANDLORD shall use its best efforts to minimize any interference to TENANT's usage of the demised premises during the exercise of any rights granted to LANDLORD herein. In the event that, because of the act or negligence of LANDLORD, its employees, agents, or contractors, LANDLORD shall fail to provide, or cause to be provided, to substantially all of the demised premises, air conditioning, plumbing (unless LANDLORD shall provide other facilities in the building), any elevator service or electricity for more than two (2) continuous business days, the rent shall equitably abate based on any substantial portion of the demised premises affected until the situation is corrected. Notwithstanding anything contrary to the above, any act caused by force majeure is not included herein.

ARTICLE XXX
AMENDMENT

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

ARTICLE XXXI
ENVIRONMENTAL QUALITY

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

A. INDOOR AIR QUALITY. LANDLORD shall at all times maintain the Heating, Ventilating, and Air Conditioning System (HVAC) and shall perform at least the minimum periodic preventive maintenance on the HVAC system equipment as specified in the attached Exhibit "HVAC System Preventive Maintenance For Leased Space" applicable to TENANT premises.

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

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

D. NOTICE OF RENOVATION OPERATIONS. LANDLORD shall act to prevent the degradation of indoor air quality during any building renovation, remodeling, and similar activities that could allow off-gassing from embodied chemicals in construction materials, furniture, or equipment into

spaces occupied by and common areas used by TENANT. LANDLORD and its designated contractor will use only nontoxic paint or other surface coatings and will cause the space to be continuously ventilated with outside air to prevent the build-up of chemical gases from construction materials, carpet, carpet glues, or other emissive materials during the build-out or renovation of the demised space.

ARTICLE XXXII
RADON GAS

Radon is a naturally occurring radioactive gas, that, when it has accumulated in a building in sufficient quantities, may present a health risk to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information may be obtained from your County public health unit.

ARTICLE XXXIII
HOLDOVER

If TENANT, with LANDLORD's consent, remains in possession of the demised premises after expiration of the term and if LANDLORD and TENANT have not executed an expressed written agreement as to such holding over, then such occupancy shall be a tenancy from month to month at a monthly rental for the first month, after expiration of the term, equivalent to one hundred percent (100%) of the monthly rental in effect immediately prior to expiration, such payments to be made as herein provided. In the event of such holding over, all of the terms of the Lease Agreement including the payment of all charges owing hereunder other than rent shall remain in force and effect on said month to month basis.

ARTICLE XXXIV
GOVERNING LAW

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

ARTICLE XXXV
WRITTEN AGREEMENT

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

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

(CORPORATE SEAL)

PSBP INDUSTRIAL, L.L.C., a Delaware limited liability company

[Signature]
WITNESS

By: [Signature]
Viola Sanchez, Vice President (LANDLORD)

[Signature]
WITNESS

ATTEST:

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

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

By: _____
Carlos A. Gimenez (TENANT)
Mayor

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

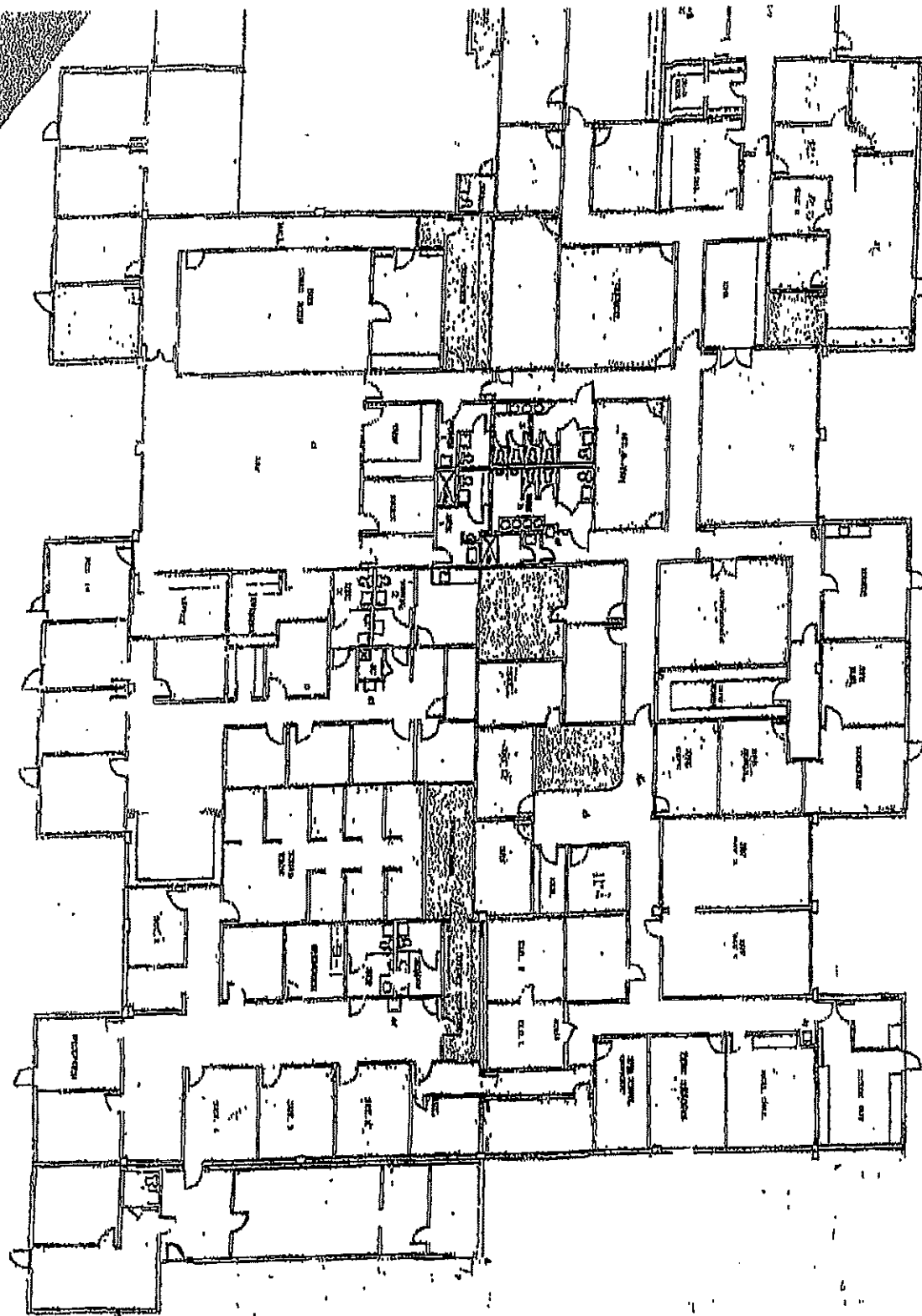


EXHIBIT 'A'
1501-1523 and 1561-1579 N.W. 79 Avenue
Miami Dade Police

EXHIBIT "B"

HVAC SYSTEM PREVENTIVE MAINTENANCE FOR LEASED SPACE

The following components are typically found in the Heating, Ventilating, and Air Conditioning (HVAC) systems in Miami-Dade County buildings; each component has the typical maintenance activity and minimum frequency noted:

- I. **FILTERS** - Applicable to all supply conditioned air to TENANT premises:
 - A. High-efficiency type (ASHRAE rated 85%) - preferred - changed every 2 years.
 - B. Electrostatic antimicrobial - minimum acceptable - cleaned every 30 days.
- II. **OUTSIDE AIR INTAKE** - applicable on all central systems:
 - A. Check for cleanness and operation if motorized louvers - filter preferred - quarterly.
- III. **TEMPERATURE AND HUMIDITY** - Temperature 73-78 degrees - Humidity 50-60%:
 - A. ASHRAE generally accepted comfort zone for South Florida.
 - B. Check controls and verify temperature and humidity are at or near guidelines - monthly.
- IV. **AIR HANDLER** - Separate type or self contained in AC package unit as applicable:
 - A. Clean coils and check for leaks and loose connections - check quarterly.
 - B. Lubricate fan motors and check belts - quarterly.
 - C. Check air intake and exhaust - quarterly.
 - D. Check fan motors for overheating and vibration - quarterly.
 - E. Check structural frame for sturdiness - quarterly.
 - F. Check and clean contact points in switches - quarterly.
 - G. Check condensate drip pan for standing water. Clean and spray with algicide quarterly.
 - H. Check, remove trash, and clean condensate drain and trap - quarterly.
- V. **COMPRESSOR** - Separate or self-contained in AC package unit as applicable:
 - A. Check for indication of leakage - monthly.
 - B. Check pressure and temperature - quarterly.
- VI. **PUMPS** as applicable:
 - A. Inspect belts for damage, tension, and alignment - quarterly.
 - B. Check bearings and seals (motor and pump) - quarterly or semi-annually.
 - C. Check phase voltage and impeller - yearly.
- VII. **COOLING TOWER** as applicable:
 - A. Check water level - minimum monthly - prefer weekly.
 - B. Check oil level in gear reducers - monthly.
 - C. Check for leaks and excessive noise or vibration - monthly.
 - D. Check water quality/chemical treatment - monthly.
- VIII. **BUILDING EXTERIOR:**
 - A. Check for water infiltration into walls or above ceilings to prevent mold and mildew - quarterly.
- IX. **CEILING TILES:**
 - A. Check and replace any ceiling tile that shows water stains to prevent mold spores - quarterly.
- X. **SUPPLY AND RETURN AIR DUCTS:**
 - A. Remove ceiling diffuser and clean, check for visible sign of dirt around the opening or dirt coming out of duct openings on supply air diffusers - yearly. If they are dirty, then clean the ducts.

EXHIBIT "C"
JANITORIAL SERVICES

The LANDLORD agrees to furnish janitorial and cleaning services as part of this Lease Agreement. This includes furnishing all cleaning/maintenance equipment and cleaning supplies as required, including but not limited to, bathroom tissue, paper towels, trash receptacle liners and hand soap (preferably liquid). All supplies are to be of good quality acceptable in the janitorial profession and of satisfactory quality suitable to the needs of personnel.

Cleaning of the facility shall be accomplished in accord with the following schedule:

a) **FLOORS**

Daily: Carpeted areas - vacuum.
Non-carpeted areas - dustmop - spray buff as required, remove gum and other materials, spot damp mop to remove stains or spots.

Weekly: Non-carpeted areas - damp mop and spray buff.

Monthly: Strip and wax lobby, waiting and tile restroom areas.

Quarterly: Strip and wax hallway floors. (Apply three coats of Johnson Complete Wax or equivalent).

Semiannually: Machine clean carpets in hallways. Other areas are to be cleaned, if their condition so dictates.

Strip, reseal and wax with nonskid wax all normally waxed floors.

Annually: Machine clean all carpet throughout the facility.

b) **WALLS, CEILINGS, INTERIOR DOORS, LEDGES, ETC.**

Weekly: Spot clean. Clean light switch plates and surrounding wall areas. Dust windowsills, ledges, fixtures, etc.

Monthly: Dust or vacuum HVAC registers.

Annually: Clean all light fixture diffuses and wipe dust off light bulbs.

c) **WINDOWS AND GLASS**

Daily: Spot clean entrance and vicinity glass both inside and outside.

Spot clean directory and internal glass or windows.

Semiannually: Clean inside of external windows.

d) WATER FOUNTAINS

Daily: Clean and sanitize. Replenish supply of disposable cups (if applicable).

e) FURNISHINGS

Daily: Dust tables, chairs, credenzas, file cabinets, bookcases, etc.

Do not disturb any papers lying on desks or cabinets.
Weekly: Dust and clean all ornamental wall decorations, pictures, charts, chalkboards, etc.

Dust draperies, blinds or other window treatments.

Semiannually: Vacuum all drapes, blinds or other window treatments.

f) TRASH AND REFUSE

Daily: Empty and clean all trash receptacles. Receptacle liners are to be used and changed as necessary.

Remove all collected trash to external dumpsters or trash containers.

In conference rooms, reception areas, etc., remove accumulated trash, paper cups, soda cans, etc.

g) RESTROOMS

Daily: Maintain in a clean sanitary condition: floors, walls, doors, stalls, partitions, shelves, sinks, commodes, urinals, bath facilities, soap and towel dispensers.

Clean and polish mirrors.

Empty and sanitize trash and sanitary napkin receptacles.

Replenish supplies of tissue, towels and soap.

Monthly: Clean ceramic tile surfaces with a strong cleaner or bleach so that tile and grout have uniform color.

h) LOUNGE AND KITCHEN AREAS

Daily: Clean and sanitize sinks and counter areas.

NOTE: THE WASHING OF EMPLOYEE'S DISHES OR THE REFRIGERATOR IN THE LOUNGE OR KITCHEN AREAS ARE NOT REQUIREMENTS OF THIS CONTRACT.

i) EXTERIOR

Daily: Sweep outside area immediately adjacent to building entrances.
Keep parking lot and surrounding grass areas free of trash.

Empty outside trash receptacles.

Weekly: Sweep all exterior access areas, e.g., sidewalks, porches, courtyards, etc.

Perform other such services as are necessary to keep the facility clean and in a sanitary condition.

In providing of the aforementioned services:

Only actual employees of the janitorial contractor are to be admitted to the demised premises. During after hours cleaning, all outside doors are to be locked and janitorial staff are not to provide access to anyone into the facility. Janitorial staff are to check exterior doors and windows to insure the facility is secure at the time of leaving the facility.

LANDLORD shall provide reasonable assurance that any and all chemicals are being handled in accordance with the Material Safety Data Sheet (MSDS) provided by their manufacturer.

A copy of the MSDS for each cleaning agent or chemical used by janitorial service shall be provided to TENANT. Only those cleaning agents or chemicals approved by TENANT shall be used in the demised premises.