

COMMERCIAL LEASE

Landlord: MI-3 PROPERTY LLC

Tenant: THE CITY OF FORT LAUDERDALE, FLORIDA

**Leased Premises: 18 NW 1ST AVENUE
FORT LAUDERDALE, FLORIDA**

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LEASE AGREEMENT

THIS LEASE, made as of the ____ day of _____, 2025 by MI-3 PROPERTY LLC, a foreign limited liability company, herein called "Landlord," and THE CITY OF FORT LAUDERDALE, FLORIDA, a municipal corporation of the State of Florida, herein called "Tenant", but shall be effective as of April 1, 2025

LEASE SUMMARY

- a) Landlord's Mailing Address: 7000 Central Pkwy
Suite 1100
Atlanta, GA 30328
- b) Tenants' Mailing Address: City Manager
101 NE 3rd Avenue, Suite 2100
Fort Lauderdale, Fl 33301
- c) Tenants' Name: THE CITY OF FORT LAUDERDALE, FLORIDA
- d) Tenants' Trade Name: N/A
- e) Guarantor(s): N/A
- f) Lease Commencement Date: April 1, 2025
- g) Lease Expiration Date: February 28, 2030
- h) Rent Commencement Date: April 1, 2025
- i) Tenancy Improvements: N/A
- j) Permitted Use: City of Fort Lauderdale Community Court
- k) Minimum Gross Rent:

Term	Monthly	Annual
1 year	\$ 9,604.58	\$115,254.96
2 year	\$ 9,988.76	\$119,865.12
3 year	\$10,388.31	\$124,659.72
4 year	\$10,803.84	\$129,646.08
5 year	\$11,235.99	\$134,831.88

- l) Options: Two (2) additional one year terms. The additional years within the renewal period shall be adjusted to the market rent, as hereinafter defined in Section XXII.

- m) Other Sums Payable: Hereinafter defined.

- n) At signing of this Lease, the Tenant shall pay to Landlord the sum of \$9,604.58, representing first month's rent.

THE FOREGOING LEASE SUMMARY IS AN INTEGRAL PART OF THIS LEASE AGREEMENT; HOWEVER, IN THE EVENT OF ANY CONFLICT BETWEEN THE LEASE SUMMARY AND THE TERMS AND CONDITIONS SET FORTH BELOW, THE LATTER SHALL BE CONTROLLING.

ARTICLE I

Basic Lease Provisions

SECTION 1.01 Lease Premises.

In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be observed and performed, the Landlord demises and leases to the Tenant, and the Tenant rents from Landlord, those certain premises now existing at 18 NW 1ST AVENUE, FORT LAUDERDALE, FLORIDA, 33301, consisting of approximately 3,115 square feet 1050 square feet, herein called the Leased Premises.

SECTION 1.02 Commencement and Length of Term.

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The term of this Lease shall commence on the date set forth in Section (f) of the Lease Summary (the "Commencement Date") and shall continue until the expiration date as set forth in Section (g) of the lease Summary, unless otherwise extended or terminated by the terms of this Lease.

SECTION 1.03 Commencement of Rent.

The Tenant's obligation to pay Rent (as defined in Section 2.01 hereof) shall begin on the Commencement Date. Should the term of this Lease and the Tenant's obligation to pay Rent commence on a day other than the first day of a month, then the term of this Lease shall continue in full force and effect for the period from the Commencement Date hereof to the first day of the calendar month next succeeding; provided, however, that the Tenant shall pay rent for the fractional month on a per diem basis (calculated on the basis of a thirty day month) and same shall be payable on the Commencement Date and thereafter the Rent shall be paid on equal monthly installments on the first day of each and every month in advance. All other monthly payments hereunder shall likewise be calculated and paid on such a per diem basis for any fractional month.

SECTION 1.05 Excuse of Landlord's Performance.

Anything in this Lease to the contrary notwithstanding, the Landlord shall not be deemed in default with respect to failure to perform any of the terms, covenants and conditions of this Lease if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any material, service or financing through act of God or other causes beyond the control of the Landlord; provided, however, that in no event shall this provision excuse Landlord from performing its obligations related to the repair, maintenance, and upkeep of the structural elements and building systems of the Premises, which shall remain Landlord's responsibility.

SECTION 1.06 Termination Option.

Tenant shall have the right to terminate the Lease, by providing nine (9) months written Notice to Landlord in the event that this division is moving into

City owned property, however a termination of the Lease shall not occur prior to the 37th month of the initial lease term.

SECTION 1.07 - Condition of Premises Reference Document.

Tenant and Landlord acknowledge that the Facility Condition Assessment Report dated October 14, 2024, a copy of which is attached hereto and incorporated herein as *Exhibit B*, reflects the condition of the Leased Premises as of the Commencement Date. This report shall serve as the baseline reference for the condition of the Leased Premises and may be relied upon in the interpretation of each party's repair and maintenance obligations under this Lease.

**ARTICLE II
Rent**

SECTION 2.01 Annual Base Rent.

Tenant agrees to pay Landlord, subject, however, to adjustment (if any) as herein provided, as Rent the sum or sums set forth in Sections (l), (n), (o) and (p) of the Lease Summary ("Rent"). The Rent during the term of this Lease shall be due and payable by the Tenant in equal monthly installments on or before the first day of each month in advance and shall be delinquent after the tenth day of each month, at the offices of the Landlord as set forth in Section (a) of the Lease Summary, or at such other place designated by Landlord, without notice or demand, and without any deduction, counterclaim, or set-off whatsoever. A late payment of ten percent (10%) of the amount of the monthly installment shall be imposed on any payment not received by the Landlord within fifteen (15) days of the date on which it is due. Notwithstanding the foregoing, Tenant's obligation to pay rent, including timing and late charges, are subject to the laws under Florida's Prompt Payment Act.

SECTION 2.02 Cost of Living Increase.

Commencing with Second Lease Year, and at the beginning of each Lease Year thereafter, during the term of the Lease or any extended term (if applicable), the Minimum Annual Base Rent will be adjusted by multiplying the Fixed Minimum Base Rent paid in the preceding Lease Year by four percent (4%) and adding this additional four percent (4%) to and becoming a part of the new adjusted Minimum Annual Base Rent.

SECTION 2.03 Intentionally Deleted

SECTION 2.04 Additional Rent.

In order to give Landlord a lien of equal priority with Landlord's lien for rent, and for no other purpose, any and all sums of money or charges required to be paid by Tenant under this Lease, whether or not the same be paid at the time provided in this Lease, they shall nevertheless, if not paid when due, be collectable as Additional Rent with the next installment of rent thereafter falling due hereunder, but nothing herein contained shall be deemed to suspend or delay the payment of any amount of money or charges as the same becomes due and payable hereunder, or limit any other remedy of the Landlord. Notwithstanding Landlord Tenant laws of Florida, Landlord shall not place a lien

on Tenant's leasehold interest in the premises as Tenant is a Florida municipal corporation and exempt from execution and levy on its real property interest.

SECTION 2.05 Budget and Appropriation.

All of Tenant's monetary obligations set forth in this Lease are subject to and conditioned on the annual budget appropriation therefor by Tenant's governing body, to wit, the City Commission of the City of Fort Lauderdale, Florida; it being understood and agreed that, in the event the City Commission of the City of Fort Lauderdale, Florida does not appropriate funds necessary to satisfy the monetary obligations of Tenant under this Lease for any fiscal year, then Tenant shall have the right to terminate this Lease upon thirty (30) day notice to Landlord. Further, Landlord acknowledges that Tenant is exempt from paying any sales or excise tax and if requested, Tenant shall provide a copy of its Certificate of Exemption.

ARTICLE III Tenant inspection

Tenant certifies that it has inspected the Leased Premises and all improvements and accepts same in its existing "AS-IS" condition, and further acknowledges having occupied the Leased Premises since November 21, 2023, under a Facility Use Agreement. As such, no repair work, alterations, or remodeling of the Leased Premises shall be required to be done by Landlord as a condition of this Lease or otherwise.

TENANT ACKNOWLEDGES AND AGREES THAT THE DEMISED PREMISES IS BEING LEASED TO TENANT "AS IS", "WHERE IS", AND "WITH ALL FAULTS", WITH TENANT ACCEPTING ALL FAULTS AND DEFECTS, IF ANY, THEREIN; AND LANDLORD MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE DEMISED PREMISES, INCLUDING, WITHOUT LIMITATION, LANDLORD MAKES NO, AND EXPRESSLY DISCLAIMS ANY, WARRANTY AS TO HABITABILITY, FITNESS, MERCHANTABILITY, ENVIRONMENTAL SOUNDNESS, OR SUITABILITY OF THE DEMISED PREMISES FOR A PARTICULAR PURPOSE AND PROFITABILITY, NOR AS TO THE ABSENCE OF ANY TOXIC OR HAZARDOUS SUBSTANCES.

By such event, no repair work, alterations, or remodeling of the Leased Premises shall be required to be done by Landlord as a condition of this Lease or otherwise. The parties agree that the Landlord is leasing the premises to Tenant without any warranties, written or oral, express or implied. Tenant having continually occupied the Leased Premises since November 21, 2023, acknowledges that the Leased Premises as of this date is in compliance with all Federal, State, and Local laws, including, but not limited to, the American disabilities Act (ADA).

For reference, the Facility Condition Assessment Report dated October 14, 2024, attached hereto as Exhibit B, documents the condition of the Leased Premises as of the Commencement Date.

ARTICLE IV Conduct of Business by Tenant

SECTION 4.01 Use of Premises.

Tenant shall use the Leased Premises solely for the purpose of conducting the

business of the City of Fort Lauderdale, Florida, consistent with the current use under that certain November 21, 2023 Facility Use Agreement between Landlord and Tenant.

ARTICLE V
Intentionally Deleted

ARTICLE VI
Alterations

SECTION 6.01 Installation by Tenant.

(a) Tenant may, at its own expense, make such alteration, additions and changes to the Leased Premises as it deems necessary or desirable, except that Tenant shall not, without Landlord's prior written consent which shall not be unreasonably withheld or delayed, tear down or demolish any permanent improvements on the Leased Premises. Tenant shall not make any improvement which creates a fixture on the Leased Premises without Landlord's prior written consent, which shall not be unreasonably withheld or delayed. Tenant shall not make any change in or upon the Leased Premises which would violate the terms of any mortgage which may have been placed on the Leased Premises by the Landlord, nor shall Tenant make any change or take any other action which will violate any insurance policy covering the Leased Premises. If the estimated cost of any proposed alterations, improvements, additions or changes to the Leased Premises will exceed the sum of ten thousand dollars (\$10,000.00), Tenant must first obtain Landlord's written consent to the proposed action by Tenant; Landlord agrees, however, that it will not unreasonably withhold or delay such consent. The Landlord has the right to require, as a condition precedent to the granting of such consent, that Tenant submit to Landlord evidence satisfactory to Landlord that the costs of all labor and material to be used will be paid for in full by the Tenant so that there will be no basis for any construction lien claim against the Leased Premises. Tenant recognizes that Tenant is prohibited under this Lease from contracting for any work to be done on the Leased Premises which would cause a construction lien to be placed on the Leased Premises; Tenant agrees to execute a memorandum of lease for recording in the county in which the Leased Premises is located attesting to this fact.

(b) All fixtures installed by Tenant shall be new or completely reconditioned. Tenant shall not make or cause to be made any alterations or additions without first obtaining Landlord's written approval and consent. Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought, and simultaneously demonstrate to Landlord that the proposed alterations comply with local zoning and building codes.

(c) All construction work done by Tenant within the Leased Premises shall be performed in a good and workmanlike manner, in compliance with all governmental requirements. Tenant agrees to indemnify Landlord and hold Landlord harmless against any loss, liability or damage, resulting from such work.

SECTION 6.02 Tenant Shall Discharge All Liens.

Nothing contained in this Lease shall be construed as a consent on the part of the Landlord to subject the estate of the Landlord to liability under the Mechanic's Lien Law of the State of Florida, it being expressly understood that

the landlord's estate shall not be subject to liens for any improvements made by Tenant and that Tenant will not permit any construction liens to be placed upon the Leased Premises. Tenant shall strictly comply with the mechanic's Lien Law of the State of Florida as set forth in Florida Statutes, Section 713, including, but not limited to, giving written notice to all persons performing services or furnishing materials on its behalf of the terms and conditions of this Section 6.02. In the event that a mechanic's claim of lien is filed against the Property in connection with way work performed by or on behalf of the Tenant to the Leased Premises, the Tenant shall satisfy such claim or shall transfer same to security, within ten (10) days from the date of filing. In the event that the Tenant fails to satisfy or transfer such claim within said ten (10) day period, the Landlord may do so and thereafter charge the Tenant, as Additional Rent, all costs incurred by the Landlord in connection with satisfaction of transfer of such claim, including attorney's fees. Further, the Tenant agrees to indemnify, defend and save the Landlord as a result of any such mechanic's claim of lien. If so requested by the Landlord, the Tenant shall execute a short form or memorandum of this Lease, which may, in the Landlord's discretion be recorded in the Public Records for the purpose of protecting the Landlord's estate from mechanics' claims of lien, as provided in Florida Statutes, Section 713.10. In the event such short form or memorandum is executed, the Tenant shall simultaneously execute and deliver to the Landlord such an instrument terminating the Tenant's interest in the real property upon which the Leased Premises are located, which instrument may be recorded by the Landlord at the expiration of the term of this Lease, or such earlier termination hereof. Landlord has the right to record the Memorandum of Lease without execution by Tenant in the event Tenant fails to execute the Memorandum of Lease within seven (7) days of request. This Section shall survive the termination of this Lease.

ARTICLE VII

Repairs and Maintenance of Leased Premises

SECTION 7.01 Responsibility of Landlord.

(a) Landlord agrees to repair and maintain in good order and condition the exterior walls, doors, windows and roof (including promptly addressing any leaks within 45 days from lease execution) of the building located on the Leased Premises, as long as the repairs are not necessitated by the acts or neglect of the Tenant and its agents, employees, guests, or invitees. Landlord also agrees to maintain all Building systems, including but not limited to HVAC, plumbing, and electrical systems, in good working order regardless of prior levels of occupancy or use, as long as the maintenance is not necessitated by the acts or neglect of the Tenant and its agents, employees, guests, or invitees. Plumbing systems, but excluding fixtures, sinks, toilets, connections, shall be deemed to be within the Landlord's sole responsibility to maintain and repair unless the need for repair is directly attributable to Tenant's misuse or neglect, which shall be affirmatively demonstrated by the Landlord. This includes responsibility for clearing clogged or in-filled drains, except where such clogs are affirmatively shown to result from Tenant's misuse or neglect. Landlord shall also provide monthly pest control for the Premises;; ensure exterior lighting is functional;; and provide all other necessary services to maintain the Building and its systems in a safe, clean, and operable condition, as long as the maintenance is not necessitated by the acts or neglect of the Tenant and its agents, employees, guests, or invitees. There is excepted from the Landlord's responsibility those matters set forth in Section 7.02 and (i) door

locks and hardware; (ii) repair of damage caused directly or indirectly by the negligence of the Tenant, its employees, agents, contractors, customers, invitees; (iii) interior repainting and redecoration and (iv) all signs (free standing and placards), which shall be the exclusive obligation of the Tenant. In the event the Landlord fails to perform required repairs or maintenance under this Section and such failure materially interferes with Tenant's use or occupancy of the Premises, Tenant shall be entitled to pursue equitable remedies, including an abatement of Rent during the period of impairment. Provided, however, rent abatement shall be proportionate to the portion of the Leased Premises rendered untenable. In no event shall Landlord be liable for damages or injuries arising from the failure to make said repairs, nor shall Landlord be liable for damages or injuries arising from defective workmanship or materials in making such repairs; provided, however, that Landlord shall remain liable for any damages or injuries to Tenant, its employees, guests, invitees, or agents to the extent caused by Landlord's gross negligence, willful misconduct, or the use of defective materials or workmanship in connection with such repairs or maintenance. Tenant waives the provision of any law, now or hereafter in effect, or any right under common law, permitting it to make repairs at Landlord's expense. Landlord is also responsible for future alterations and improvements required by law, unless required due to the Tenant's particular and unique manner of use.

(Landlord shall ensure all exterior lighting is functional; and all other portions of the Leased Premises shall be kept in good repair and condition by Tenant, and at the end of the term of this Lease, Tenant shall deliver the Leased Premises to Landlord in good repair and condition, reasonable wear and tear and damage from fire and other casualty excepted. Provided, however, within sixty (45 days of the Effective date the Landlord shall have all windows cleaned, broken windows repaired, and graffiti removed. Thereafter, Landlord shall maintain the windows in good condition and promptly address any graffiti removal as needed.

Notwithstanding the foregoing, Tenant agrees to provide prompt and timely access to Landlord's contractors and workers to perform required repairs or maintenance repairs and maintenance under this Article VII.

SECTION 7.02 Responsibilities of Tenant.

(a) Without limiting the generality of the foregoing Subparagraph 7.01(b), Tenant agrees to repair and maintain in a good and safe order and condition all improvements on the Leased Premises, all equipment in the Leased Premises, regardless of how the necessity or desirability of repairs may occur, and whether or not required by wear and tear, obsolescence, accidents, or otherwise.

(b) Tenant will not install equipment which exceeds the capacity of the utility lines leading into the Leased Premises or the building of which the Leased Premises constitute a portion.

(c) Tenant, its employees, or agents, shall not mark, paint, drill or in any way deface any walls, ceilings, partitions, floors, wood, stone or ironwork without Landlord's written consent.

(d) Tenant shall change all air filters on a monthly basis.

(e) Tenant shall comply with the requirements of all laws, orders, ordinances and regulations of all governmental authorities and will not permit any waste of property or same to be done and will take good care of the Leased Premises at all times, ordinary wear and tear excepted.

(f) At the expiration of the tenancy hereby created, Tenant shall peaceably and quietly surrender the Leased Premises to the Landlord in broom-clean condition, including all buildings and improvements therein and including all additions, replacements, or changes made or placed by the Tenant thereon, in as good condition as the Leased Premises were in upon delivery of possession thereto under this Lease, except natural wear and tear, and damage by unavoidable casualty excepted, and shall surrender all keys for the Leased Premises to Landlord. Tenant shall remove all its trade fixtures, leased equipment and any alterations or improvements which Landlord requests to be removed before surrendering the premises as aforesaid and shall repair any damage to Leased Premises caused thereby. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of the term of the Lease.

(g) Tenant shall at its own expense perform all janitorial and cleaning services within the Leased Premises in order to keep same in a neat, clean and orderly condition.

(h) Tenant shall give Landlord prompt written notice and telephonic notice in the case of an emergency or any fire or damage occurring on or to the Leased Premises.

(i) Tenant's responsibilities under this Section shall also include, but not be limited to, those listed in *Exhibit A*, which is attached hereto and incorporated herein by reference.

SECTION 7.03 Exoneration of Landlord from Liability.

Except where caused by the Landlord's negligence, the Landlord and its agents shall not be liable for any failure of water supply, gas or electric current, or for any injury or damage to person or property caused by gasoline, oil, steam, gas or electricity or hurricane, tornado, flood, rain, wind or similar storms and disturbances, or water which may leak or flow from the street, sewer, gas mains, or any other sources, or from any source within the improvements on the Leased Premises. The Landlord further shall not be liable for any injury to person or damage to property caused by a defect of any kind in the Leased Premises. Subject to the terms, limitations and conditions of F.S. 768.28, Tenant covenants and agrees that it will protect and save and keep the Landlord and its agents forever harmless and indemnified against and from any penalty or damages or charges imposed for any violation of any laws or ordinances, whether occasioned by the neglect of Tenant or those holding under Tenant, and that Tenant will at all times protect, indemnify and save and keep harmless the Landlord and its agents against and from any and all loss, cost, damage or expense, arising out of or from any accident or other occurrence on or about the Leased Premises, causing injury to any person or property whomsoever or whatsoever and will protect, indemnify and save and keep harmless the Landlord and its agents against and from any and all claims and against and from

any and all loss, cost, damage or expense arising out of any failure of Tenant in any respect to comply with and perform all the requirements and provisions hereof. This indemnity shall only apply to acts or omissions of Tenant, or its guests or invitees and shall not apply to liability arising from acts of god or structural or material defects on or in the Leased Premises.

SECTION 7.04 Landlord's Performance of Tenant's Obligations.

If the Tenant shall default in the performance of any covenant or condition which Tenant is required to perform, the Landlord may, after not less than 30-days' written notice to the Tenant, or without notice if, in the Landlord's opinion reasonably exercised, an emergency exists, perform such covenant or condition for the account of and at the expense of the Tenant. In non-emergency situations, Landlord shall not take action to cure a Tenant default unless Tenant fails to cure within the applicable notice period. In all cases, Tenant shall only be responsible for actual, reasonable, and documented out-of-pocket costs incurred by Landlord in curing such default, which in no event shall exceed \$25,000.00 per occurrence or \$50,000.00 in the aggregate annually, unless otherwise approved in writing by Tenant. If the Landlord shall incur any reasonable expense, including reasonable attorney's fees, in filing, prosecuting or defending any action or proceeding instituted by reason of any default of the Tenant, the Tenant shall be liable to the Landlord for the amount of such expense, subject to the cap above and provided such costs are determined to be valid and due after notice and an opportunity to respond. If the Tenant, pursuant to this Lease, becomes obligated to reimburse or otherwise pay the Landlord any sum of money in addition to the specific rent provided for herein, the amount thereof shall be deemed additional rent and may, at the option of the Landlord, be added to any subsequent installment of specific rent due and payable under this Lease, provided that Tenant shall first be given written notice of the charges and a reasonable opportunity to dispute or verify such amounts, in which event the Landlord shall have the remedies for default in the payment thereof provided by this Lease.

Section 7.05 – Tenant Right to Terminate for Uncured Maintenance Defaults

In addition to the remedies set forth in Section 7.01, if Landlord fails to perform any of its maintenance, repair, or replacement obligations as set forth in this Lease, and such failure materially interferes with Tenant's use or occupancy of the Leased Premises, and such failure continues for more than sixty (60) days after written notice from Tenant describing the failure in reasonable detail (or, if the failure is of a nature that cannot reasonably be cured within sixty (60) days, if Landlord fails to commence and diligently pursue cure within that time), then Tenant shall have the right, at its sole discretion, to terminate this Lease upon thirty (30) days' additional written notice to Landlord, provided that Landlord has not substantially cured the default during such thirty (30) day period. Any such termination shall be without penalty, and all prepaid Rent shall be prorated and refunded to Tenant.

ARTICLE VIII Insurance and Indemnity

SECTION 8.01 Liability Insurance.

Landlord acknowledges the Tenant's right of sovereign immunity as provided by F.S. 768.28, and that the Tenant is self-insured for general liability under state law with coverage limits of \$200,000 per person and \$300,000 per

occurrence, or such monetary wavier limits that may change and be set forth by the legislature.

The Tenant shall maintain at its own expense and keep in effect during the full term of the Lease, self-insurance under a Risk Management Program in accordance with F.S. 768.28 for General Liability, and Workers' Compensation including Employer's Liability (with benefits in accordance with F.S. Chapter 440) coverage. The Tenant will provide a letter of self-insurance for general liability as prescribed under F.S. 768.28.

If Tenant should choose not to self-insure, as provided by F.S. 768.28, then Tenant shall, during the entire term hereof, and any renewal of this Lease, keep in full force and effect bodily injury and property damage comprehensive public liability insurance for the combined single coverage of not less than Two Million (\$2,000,000.00) Dollars, naming the Landlord an additional insured. The policy shall name Landlord, any person, firms or corporation designated by Landlord, and Tenant as insured, and shall contain a clause that the insurer will not cancel or change the insurance without first giving the Landlord ten (10) days prior written notice. Subject to the terms, limitations and conditions of F.S. 768.28, nothing herein shall be considered to limit the liability of the Tenant under this Lease. It is understood that the Landlord will not be responsible for the payment of any premiums with respect to such insurance and shall not be responsible for notifying the insurer of any occurrence or accident in or around the Leased Premises.

SECTION 8.02 Property Insurance.

Landlord shall at all times during the term hereof, and any renewal of this Lease, at its cost and expense maintain a policy or policies insuring the Landlord's property against loss or damage by fire, explosion, flood, and other hazards, and contingencies ("all risk," as such term is used in the insurance industry) in an amount of not less than full insurable value. Provided, however, any and all other costs to insure the personal property of the Tenant, including, but not limited to contents kept on and in the Leased Premises, shall be the sole responsibility of the Tenant and any insurance required thereon shall be at the expense of the Tenant.

SECTION 8.03 Increase in Fire Insurance Premium.

Tenant agrees that it will not keep, use, sell or offer for sale in or upon the Leased Premises any article which may be prohibited by the standard form of fire and extended risk insurance policy. Tenant agrees to pay any increase in premiums for fire and extended coverage insurance that may be charged during the term of this Lease in the amount of such insurance which may be carried by Landlord on said premises or the building of which they are a part, resulting from the type of merchandise sold by Tenant in the Leased Premises, whether or not Landlord has consented to the same. In determining whether increased premiums are the result of Tenant's use of the Leased Premises, a schedule issued by the organization making the insurance rate on the Leased Premises, showing the various components of such rate shall be conclusive evidence of the several items and charges which make up the fire insurance rate on the Leased Premises. Tenant agrees to promptly make, at Tenant's cost, any repairs, alterations, changes and/or improvements to equipment in the Leased Premises required by the company issuing Landlord's fire insurance so as to avoid the cancellation of, or the increase in premiums on said insurance, related to the Tenant's occupation and use of the Leased Premises.

In the event Tenant's occupation and use of the Leased Premises causes any increase of premium for the fire, boiler and/or casualty rates on the Leased Premises or any part thereof above the rate for the Leased Premises any part thereof above the rate for typical occupancy legally permitted in the Leased Premises, the Tenant shall pay the additional premium for the fire, boiler and/or casualty insurance policies by reason thereof. The Tenant also shall pay in such event, any additional premium on the rent insurance policy that may be carried by the Landlord for its protection against rent loss through fire or other casualty. Bills for such additional premiums shall be rendered by Landlord to Tenant at such times as Landlord may elect and shall be due from and payable by Tenant when rendered, and the amount thereof shall be deemed to be Additional Rent.

SECTION 8.04 Indemnification of Landlord.

Subject to the limitations, terms and conditions of F.S. 768.28, Tenant shall indemnify Landlord and save it harmless from and against any and all claims, actions, damages, liability and expenses in connection with loss of life, personal injury and/or damage to property arising from and out of any occurrence in, upon or at the Leased Premises, or the occupancy or use by Tenant of the Leased Premises or any part thereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, lessees, invitees or concessionaires, whether occurring in or about the Leased Premises, except for the negligence of the Landlord. In the event the Landlord shall be made a party to any litigation against Tenant, Tenant shall protect and hold Landlord harmless and shall pay all costs, expenses and reasonable attorneys' fees incurred or paid by Landlord in connection with such litigation to the extent that Landlord is not reimbursed for such costs and expenses and reasonable attorneys' fees from another source. Nothing herein shall prevent the party reimbursing Landlord for such costs, expenses and reasonable attorney's fees from pursuing Tenant for such costs, expenses and reasonable attorneys' fees. Tenant shall also pay all costs, expenses and reasonable attorneys' fees, that may be incurred or paid by Landlord in enforcing the covenant and agreements in this Lease. Nothing herein shall be deemed a waiver of sovereign immunity in favor of the Tenant.

SECTION 8.05 Waiver or Subrogation.

Tenant waives (unless said waiver should invalidate any such insurance) its right to recover damages against Landlord for any reason whatsoever to the extent Tenant recovers any sums from its insurance carrier. Any insurance policy procured by Tenant which does not name Landlord as a named insured shall, if obtainable, contain an express waiver of any right of subrogation by the insurance company against the Landlord. All public liability and property damage policies shall contain an endorsement that Landlord, although named as an insured, shall nevertheless be entitled to recover damages caused by the negligence of Tenant.

ARTICLE IX Utilities and Assessments

SECTION 9.01 Tenant's Obligations.

Tenant shall be solely responsible for all **utility charges incurred by Tenant** and shall promptly pay all charges, including, but not limited to gas, telephone, sewer, garbage, trash removal, and any other utility services used by Tenant on the Leased Premises (other than those designated for Landlord in Section 9.02), assessments and other governmental charges levied upon or assessed against the Leased Premises or arising by reason of the occupancy, use of, or possession of the Leased Premises by Tenant. Notwithstanding the foregoing, water and electricity service to the Leased Premises shall be provided by Landlord and included in the Base Rent. Tenant shall not be separately billed nor responsible for the direct payment of water or electricity unless Tenant installs equipment that materially increases usage beyond typical levels for comparable occupancy. If any such charges are not paid when due, Landlord may, at its option, pay the same and any amounts so paid by the Landlord shall thereupon become due to the Landlord from Tenant as Additional Rent. In no event shall Landlord be liable for an interruption or failure in the supply of any such utilities to the Leased Premises. Provided, however, that Landlord shall be responsible for any interruption or failure in utility service, including water or electricity, to the extent such interruption or failure is caused directly by the acts, omissions, or negligence of the Landlord, its agents, employees, or contractors.

SECTION 9.02 Landlord's Obligations.

Landlord shall be solely responsible for, and promptly pay all charges for electricity and water. If any such charges are not paid when due, Tenant may, at its option, pay the same and any amounts so paid by the Tenant may be deducted from the following month's rent. In no event shall Landlord be liable for an interruption or failure in the supply of any such utilities to the Leased Premises.

**ARTICLE X
Attornment and Subordination**

SECTION 10.01 Attornment.

In the event any proceedings are brought for the foreclosure of, or in the event a deed is given in lieu of foreclosure of any such mortgage, if requested to do so, Tenant shall attorn to the purchaser or grantee in lieu of foreclosure upon any such foreclosure or sale and recognize such purchaser or grantee in lieu of foreclosure as the Landlord under this Lease. This provision shall be self-operative without the necessity of the execution of any further instrument; however, Tenant agrees to execute a suitable instrument in confirmation of Tenant's agreement to attorn.

SECTION 10.02 Subordination.

Tenant agrees that this Lease and the interest of Tenant therein shall be, and the same hereby is made subject and subordinated at all times to all covenants, restrictions, easements and other encumbrances now or hereafter affecting the fee title of the Leased Premises and to any mortgage in any amounts and all advances made and to be made thereon, which may now or hereafter be placed

against or affect any or all of the buildings and improvements. The aforesaid provisions shall be self-operative, and no further instrument of subordination shall be necessary unless required by any such ground or underlying lessors or mortgages. Should the Landlord or any ground or underlying lessor or mortgagees desire confirmation of such subordination, then Tenant, within ten (10) days following written request therefor, agrees to execute and deliver, without charge, any and all documents in form acceptable to Landlord and such ground or underlying lessors or mortgagees) subordinating this Lease and the Tenant's rights hereunder. Notwithstanding, Landlord represents and warrants that there are no restrictions or covenants that would prohibit or impair the Tenant's right to occupy the Leased Premises in accordance with the terms and conditions of this Lease.

ARTICLE XI
Assignment and Subletting

SECTION 11.01 Consent Required.

(a) Tenant may not assign or in any manner transfer or grant or suffer any encumbrance of Tenant's interest in, this Lease in whole or in part, nor sublet all or any portion of the Leased Premises, or grant a license, concession or other right of occupancy for any portion of the Leased Premises, without the prior written consent of Landlord in each instance. The consent by Landlord to any assignment or subletting shall not constitute a waiver of the necessity for such consent to any subsequent assignment or subletting. It is understood that Landlord may refuse to grant consent to any assignment or subletting by Tenant with or without cause and without stating in its refusal to grant such consent the reason for which it refuses to grant such consent. If this Lease be assigned, or if the Leased Premises or any part thereof be underlet or occupied by any party other than Tenant, Landlord may collect rent from the assignee, subtenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of this covenant, or the acceptance of the assignee, subtenant or occupant as Tenant, or a release of Tenant from the further performance by Tenant of the covenants on the part of Tenant; herein contained. This prohibition against assignment or subletting shall be construed to include prohibition against any assignment or subleasing by operation of law, legal process, receivership, bankruptcy or otherwise, whether voluntary or involuntary. Notwithstanding any assignment or sublease, Tenant shall remain fully liable on this Lease and shall not be released from performing any of the terms, covenants and conditions of this Lease.

SECTION 11.02 Assignment by Landlord.

(a) The Landlord has the right to assign this Lease, and any such assignment by Landlord shall confer upon the assignee all the rights, powers and obligations that Landlord has hereunder.

(b) In the event of the transfer and assignment by Landlord of its interest in this Lease and in the building containing the leased Premises to a person expressly assuming Landlord's obligations under this Lease, Landlord shall thereby be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of the Landlord for performance of such obligations. Any security given by Tenant to secure

performance of Tenant's obligations hereunder may be assigned and transferred by Landlord to such successor in interest, and Landlord shall thereby be discharged of any further obligation relating thereto.

ARTICLE XII
Waste, Governmental Regulations

SECTION 12.01 Waste or Nuisance.

Tenant shall not commit or suffer to be committed any waste upon the Leased Premises, nor shall Tenant maintain, commit or permit any nuisance on the Leased Premises.

SECTION 12.02 Governmental Regulations.

Tenant shall, at Tenant's sole cost and expenses, comply with all county, municipal, state, federal laws, orders, ordinances and other applicable requirements of all governmental authorities, now in force, or which may hereafter be in force, pertaining to, or affecting the condition, use of occupancy of the Leased Premises, and shall faithfully observe in the use and occupancy of the Premises all municipal and county ordinances and state and federal statutes now in force or which may hereafter be in force. Tenant shall indemnify, defend and save Landlord harmless from all costs, losses, expenses or damages resulting from Tenant's failure to perform its obligations under this Section. Notwithstanding the foregoing, Landlord has agreed to be responsible for future alterations and improvements required by law unless required due to the Tenant's particular and unique manner of use.

ARTICLE XIII
Destruction of the Leased Premises.

SECTION 13.01 Total or Partial Destruction.

If the Leased premises shall be damaged by fire, the elements, unavoidable accident or other casualty, without the fault or negligence of Tenant, but are not thereby rendered untenable in whole or in part, Landlord shall at its own expense cause such damage, except to Tenant's equipment and trade fixtures, to be repaired, and the rent and other charges shall not be abated; provided, however, all insurance proceeds attendant to said loss shall be assigned by Tenant to Landlord. If by reason of such occurrence, the Leased Premises shall be rendered untenable only in part, Landlord shall at its own expense cause the damage, except to Tenant's equipment and trade fixtures, to be repaired (subject to all insurance proceeds being assigned by Tenant to Landlord), but only to the extent of the condition on the Commencement Date, and the Rent meanwhile shall be abated proportionately as to the portion of the Leased Premises rendered untenable; provided, however, if such damage shall occur during the last two (2) years of the term of this Lease (or of any renewal term), Landlord shall have the right to be exercised by notice to Tenant within sixty (60) days after said occurrence, to elect not to repair such damage and to cancel and terminate this Lease effective as of a date stipulated in Landlord's notice, which shall not be earlier than thirty (30) days nor later than sixty (60) days after the giving of such notice. If the Leased Premises shall be rendered wholly untenable by reason of such occurrence, the Landlord shall at its own expense cause such damage, except to Tenant's equipment and trade fixtures, to be repaired, but only to the extent of the condition on the

Commencement Date, and the Rent meanwhile shall be abated in whole except that Landlord shall have the right to be exercised by notice to Tenant within sixty (60) days after said occurrence, to elect not to reconstruct the destroyed Premises, and in such event this Lease and the tenancy hereby created shall cease as of the date of the said occurrence. Nothing in this Section shall be construed to permit the abatement in whole or in part if such damage is caused by the fault of Tenant. Whenever the Rent shall be abated pursuant to this Section 13.01, such abatement shall continue until the date which shall be the sooner of (i) fifteen (15) days after notice by Landlord to Tenant that the Leased Premises have been substantially repaired and restored in consonance with reasonable commercial standards. or (ii) the date Tenant's business operations are restored in the entire Leased Premises.

SECTION 13.02 Partial Destruction of Property.

In the event that fifty (50%) percent or more of the leased premise is damaged or destroyed by fire or other cause, notwithstanding any other provisions contained herein, Landlord shall have the right, to be exercised by notice in writing delivered to Tenant within sixty (60) days after said occurrence, to elect to cancel and terminate this Lease. Upon the giving of such notice to Tenant, the term of this Lease shall expire by lapse of time upon the third day after such notice is given, and Tenant shall vacate the Leased Premises and surrender the same to Landlord.

SECTION 13.03 Reconstruction of Improvements.

In the event of any reconstruction of the Leased Premises arising from acts or omissions of the Tenant, under this Article, said reconstruction shall be by Tenant at Tenant's sole exclusive cost in substantial conformity with the condition of the Leased Premises delivered to Tenant. Tenant, at its sole cost and expense, shall be responsible for the repair and restoration of all items set of its own work and improvements to the leased premises, and the replacement of its stock in trade fixtures, furniture, furnishings and equipment. There shall be no rent abatement.

**ARTICLE XIV
Eminent Domain**

SECTION 14.01 Total Condemnation.

If the whole of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then the term of this Lease shall cease and terminate as of the date of title vesting in such proceeding and all rental and other charges shall be paid up to that date and Tenant shall have no claim against Landlord for the value of any unexpired term of this Lease.

SECTION 14.02 Partial Condemnation.

If any part of the Leased Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, and notwithstanding such condemnation the Leased Premises are usable for the purposes for which they are leased, then this Lease shall continue in force in effect, but rent payable

hereunder shall abate in the proportion which the part condemned bears to the whole of the Leased Premises. Landlord agrees, if requested to do so by Tenant, to use such portion of its condemnation award as may have been designated for that purpose to restore the Leased Premises to a condition which allows it to be used by the Tenant, provided that Landlord shall not in any event be required to spend for such repair, restoration or alteration work an amount in excess of the respective amounts received by Landlord as damages for the taking of such part of the Leased Premises and of the building of which the same forms a part. As used herein, the amount "received by Landlord" shall mean that portion of the award or damages in condemnation received by Landlord from the condemning authority which is free and clear of all prior claims or collection by the holders of any mortgages or deeds of trust or any ground or underlying lessors, and this Lease shall continue in full force. If more than twenty (20%) percent of the floor area of the building shall be taken as aforesaid (whether or not the Leased Premises shall be affected by the taking), Landlord shall have the right to terminate this Lease by notice to Tenant given within sixty (60) days after the date of title vesting in such proceeding and Tenant shall have no claim against Landlord for the value of the unexpired term of this Lease.

SECTION 14.03 Landlord's Damages.

In the event of any condemnation of taking as hereinabove provided, whether whole or partial, the Tenant shall not be entitled to any part of the award, as damages or otherwise, for such condemnation and Landlord is to receive the full amount of such award, the Tenant hereby expressly waives any right or claim to any part thereof.

SECTION 14.04 Tenant's Damages.

Although all damages in the event of any condemnation are to belong to the Landlord whether such damages are awarded as compensation for diminution in value of the leasehold or the fee of the Leased Premises, Tenant shall have the right to claim and recover from the condemning authority, but not from Landlord, such compensation as may be separately awarded or recoverable by Tenant in Tenant's own right on account of any damage to Tenant's business by reason of the condemnation and for or on account of any cost or loss to which Tenant might be put in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment, provided no such claim shall diminish or otherwise adversely affect Landlord's award. Each party agrees to execute and deliver to the other all instruments that may be required to effectuate the provisions of Section 14.03 and this Section 14.04.

SECTION 14.05 Sale Threat of Condemnation.

A sale by Landlord to any authority having the power of eminent domain, either under threat of condemnation or while condemnation proceedings are pending, shall be deemed a taking under the power of eminent domain for all purposes under this Article XIV.

**ARTICLE XV
Default of Tenant**

SECTION 15.01 Events of Default.

Upon the happening of one or more of the events as expressed below in (a)-(d), the Landlord shall have all rights and remedies hereof as set forth:

(a) In the event Tenant fails to pay any monthly installment of rent or any other sums required to be paid hereunder according to Florida' Prompt Payment Act, then Tenant shall be deemed in default under this Lease. "Additional Rent" to which the Landlord is entitled shall be deemed "rent" for all purposes of this paragraph and all other provisions of this Lease, and Tenant's failure to pay additional rent when due shall be deemed to constitute a default in the payment of rent by the Tenant. At any time after a default in the payment of rent has occurred, Landlord will give written notice of default to the Tenant, and if Tenant fails to cure the rent default within three (3) days after written notice has been given by the Landlord, then the Landlord shall have the rights and remedies hereinafter set forth in respect of a default.

(b) In the event Tenant fails to keep, observe or perform any of the other terms, conditions or covenants on the part of Tenant herein to be kept, observed and performed for more than thirty (30) days after written notice thereof is given by Landlord to Tenant specifying the nature of such default, or if the default so specified shall be of such a nature that the same cannot reasonably be cured or remedied within said thirty (30) day period, if Tenant shall not in good faith have commenced the curing or remedying of such default within such thirty (30) day period and shall not thereafter continuously and diligently proceed therewith to completion.

(c) In the event Tenant, having received notice of default from the Landlord pursuant to subparagraphs (a) and (b) above, fails to cure the default within the time specified in said paragraphs, or if the Tenant is in default hereunder in respect to matters as to which the Tenant is not entitled to notice of default, then, at the expiration of the period within which the default was to have been corrected, or upon the occurrence of the default as to which no notice of default need be given by the Landlord, without further notice, all rights of the Tenant under this Lease shall terminate forthwith, including specifically, but without limitation, the right to the Tenant to possession of the Leased Premises, and Tenant shall thereupon have no right to assert or claim any benefit or right by virtue of this Lease. The termination of Tenant's rights under this Lease, including termination of Tenant's right to possession and right to claim any benefits under this Lease, shall in no way prejudice, or reduce, or impair, any rights or remedies of the Landlord hereunder.

(d) Failure to comply with all local ordinances and regulations, state laws and federal laws at the Leased Premises.

SECTION 15.02 Sovereign Immunity Clause.

The parties agree and acknowledge that the Tenant Municipality, being a government entity, is entitled to sovereign immunity as provided under the laws of the State of Florida. To the extent allowed by law, any claims, actions, or disputes arising out of or related to this Agreement brought against the Municipality shall be subject to the limitations and conditions of sovereign immunity as provided by the applicable statutes and case law of the State of

Florida. Nothing in this Agreement shall be construed as a waiver of the Municipality's sovereign immunity beyond the extent permitted by law.

SECTION 15.03 Remedies of Landlord.

(a) In case of an Event of Default or breach, Landlord shall have the immediate right to re-enter the Leased Premises by summary proceedings and to dispossess Tenant and all other occupants therefrom and remove and dispose of all property therein in the manner provided in subdivision (b) of this Section; the right, at the option of Landlord, to terminate this Lease upon three (30) days written notice to Tenant, and to thereupon re-enter and take possession of the said premises;

(b) The Landlord in addition to other rights and remedies it may have, shall have the right to remove all or any part of the Tenant's property from said premises and any property removed may be stored in any public warehouse or elsewhere at the cost of, and for the account of Tenant and the Landlord shall not be responsible for the care of safekeeping thereof, and the Tenant hereby waives any and all loss, destruction and/or damage or injury which may be occasioned by any of the aforesaid acts.

(c) Any rent which may be due Landlord as herein provided in this Article, shall include Minimum Annual Base Rent and any other costs and expenses denominated as Additional Rent in this Lease.

(d) All commercially reasonable costs associated with reletting the Leased Premises, after Default;

(e) The remedies for which provision is made in this Article shall not be exclusive and in addition thereto Landlord may pursue such other remedies as are provided by law in the event of any breach, default or abandonment by Tenant. Any and all rights, remedies and options given in this Lease to Landlord shall be cumulative and in addition to and without waiver of or in derogation of any right or remedy given to it under any law now or hereafter in effect.

SECTION 15.04 Landlord's Lien. Intentionally Omitted.

SECTION 15.05 Waiver.

The waiver by Landlord of any breach of any term, condition or covenant herein contained shall not be waiver of such term, condition or covenant, or any subsequent breach of the same or any other term, condition or covenant herein contained. The consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. No re-entry hereunder shall bar the recovery of rents or damages for the breach of any terms, conditions or covenants on the part of Tenant herein contained. The receipt of rent after breach or condition broken, or the delay on the part of Landlord to enforce any right hereunder, shall not be deemed a waiver or forfeiture of the right of Landlord to annul this Lease or to re-enter said Leased Premises or to re-let same.

SECTION 15.06 Expense of Enforcement.

In the event any payment due Landlord under this Lease shall not be paid on the due date, Tenant agrees to pay interest on the amount which is delinquent at the rate permitted under Florida' Prompt Payment Act, for such delinquent payment until made. In the event any check, bank draft, order for payment or negotiable instrument given to Landlord for any payment under this Lease shall be dishonored for any reason whatsoever not attributable to Landlord, Landlord shall be entitled to make an administrative charge to Tenant of One Hundred Dollars (\$100.00). In the event that is shall be necessary for Landlord to give more than one (1) written notice to Tenant of any violation of this Lease, Landlord shall be entitled to make an administrative charge to Tenant of One Hundred Dollars (\$100.00) for such notice. Tenant recognizes and agrees that the charge which Landlord is entitled to make upon the conditions stated in this Section 15.06 represent, at the time of this Lease is made a fair and reasonable estimate and liquidation of the costs of Landlord in the administration of the Leased Premises resulting to Landlord from the events described which cost are not contemplated or included in any other rental or charges provided to be paid by Tenant to Landlord in this Lease. Any charges becoming due under this Section of this Lease shall be added and become due with the next ensuring monthly payment of Minimum Annual Base Rent and shall be collectible as a part thereof.

SECTION 15.07 Legal Expense.

In the event of any action between Landlord and Tenant seeking enforcement of any of the terms and conditions of this Lease, the prevailing party in such action shall be awarded, in addition to damages, injunctive or other relief, its reasonable costs and expenses, including, but not limited to, costs and reasonable attorneys' fees incurred prior to commencement of litigation, if any, and during the course of litigation for all investigations, trials, bankruptcies and appellate proceedings.

ARTICLE XVI Access by Landlord

SECTION 16.01 Right of Entry

Landlord and Landlord's agent shall have the right to enter the Leased Premises at all reasonable times to examine the same, and to show them to prospective purchasers or lessees of the building, and to make such repairs, or alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefor without the same constituting an eviction of Tenant in whole or in part and the rent reserved shall in no way abate while said repairs, alterations, improvements or additions are being made unless Tenant is prevented from operating in the Leased Premises in whole or in part, in which event rent shall be proportionately abated during said period. During the six (6) months prior to the expiration of the term of this Lease or any renewal terms, Landlord may exhibit the premises to prospective tenants or purchasers, and place upon the premises the usual notices "To Let" or "For Sale" which notices Tenant shall permit to remain thereon without molestation. If Tenant shall not be personally present to open and permit an entry into said Leased Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same without in any matter affecting the obligations and covenants of this Lease. Nothing herein contained, however,

shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, maintenance or repair of the building or any part thereof, unless otherwise herein specifically provided.

SECTION 16.02 Roof.

Use of the roof above the Leased Premises is reserved exclusively to the Landlord.

**ARTICLE XVII
Tenant's Property**

SECTION 17.01 Taxes on Leasehold or Personalty.

Tenant shall be responsible for and shall pay before delinquent all municipal, county, or state taxes assessed during the term of this Lease against any leasehold interest or personal property of any kind, owned by or placed in, upon or about the Leased Premises by the Tenant.

SECTION 17.02 Loss and Damage.

Landlord shall not be responsible for any damage to property of Tenant or of others located on the Leased Premises nor for the loss of or damage to any property of Tenant or of others by theft or otherwise. Landlord shall not be liable for any injury or damage to persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain, or leaks, from any pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature. Landlord shall not be liable in damages or otherwise for any latent defect in the Leased Premises, except that if Tenant shall give notice to Landlord within a period of one (1) year from the date Tenant takes possession of the Leased Premises of the existence of any such latent defect, then provided such defect shall not have resulted from any act, alteration or improvement made by Tenant, Landlord shall repair such defect. All property of Tenant kept or stored on the Leased Premises shall be so kept or stored at the risk of Tenant only and Tenant shall hold Landlord harmless from any and all claims arising out of damage to same, including subrogation claims by Tenant's insurance carriers.

SECTION 17.03 Notice by Tenant.

Tenant shall give immediate notice to Landlord in case of fire or accidents in the Leased Premises or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

**ARTICLE XVIII
Holding Over, Successors**

SECTION 18.01 Holding Over.

In the event Tenant remains in possession of the Leased Premises after the expiration of the tenancy created hereunder, and without the execution of a new Lease, Tenant at the option of Landlord, shall be deemed to be occupying the Leased Premises as a Tenant from month-to-month, at a monthly rent equal to two (2) times the Rent payable during the last month of the lease term.

SECTION 18.02 Successors.

All rights and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors, and permitted assigns of the said parties; and if there shall be more than one Tenant, they shall be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall inure to the benefits of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing as provided in Section 11.01 hereof. Nothing contained in this Lease shall in any manner restrict Landlord' right to assign or encumber this Lease and, in the event Landlord sells or transfers its interest in the Leased Premises and the purchaser or transferee assumes Landlord's obligation and covenants, Landlord shall thereupon be relieved of all further obligations hereunder.

**ARTICLE XIX
Quiet Enjoyment**

Upon payment by the Tenant of the rents herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed, Tenant shall peaceably and quietly hold and enjoy the Leased Premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless, to the terms and conditions of this Lease.

**ARTICLE XX
Option To Extend lease Term**

Provided Tenant is in good standing and there have been no defaults under this Lease, Landlord hereby gives and grants to Tenant the right, privilege and option for extending the lease for the term as set forth in Section (m) of the Lease Summary. The extended term will commence from the date of the expiration of the initial term. In order to exercise the option to extend the term of this Lease, Tenant shall give written notice to Landlord of such exercise not less than 180 days prior to the expiration of the current term. All of the terms, covenants and conditions of this Lease will apply during the extended term except for the Minimum Annual Base Rent during extended terms will be adjusted, commencing on the first day of each year of the renewal period ("Adjustment Date"), beginning with the first one (1) year extended term, the rent will be determined by the Market Rent effective 180 days prior to the expiration of the initial five (5) year term, and the second one (1) year extended term, if exercised will increase four (4) per cent annually.

Market Rent, as defined herein shall mean the amount of rent Landlord can charge for the Leased Premises based on property location, condition, local demographics, and economic trends, but not less than the Base rent for the fifth (5th) year of this Lease. Market Rent shall be determined by a consensus opinion by two (2) licensed realtors with at least five (5) years of experience selected by each Landlord and Tenant. If a consensus is not reached as of the first day of the extended term, Landlord and Tenant agree that the rent for the first extended term shall be \$11,685.43 per month, and the second extension, if exercised shall increase an additional four (4) per cent over the preceding year.

ARTICLE XXI
Option to Purchase

In consideration of the covenants and agreements contained herein, provided that Tenant is not and has not been in default under the terms of this lease, Landlord hereby grants to Lessee an option to purchase during the initial twelve (12) months of the initial term of this Lease, only. This option may be exercised by Tenant by giving notice to Landlord of Tenant's intention to exercise said option in writing, no less than 180 days prior to the expiration of the initial sixty (60) months lease term. If the said notice is given as provided, Landlord hereby agrees to sell to Tenant and Tenant agrees to buy from Landlord the Leased Premises in "AS-IS" condition without any warranties, express or implied, for the price and upon the terms and conditions as follows:

a. Full purchase price of THREE MILLION FIVE HUNDRED THOUSAND DOLLARS AND NO/100 (\$3,500,000.00), payable in cash at closing.

b. Landlord, at its expense shall provide a fee simple title insurance commitment, certified to a current date, and delivered to Tenant at least 15 days prior to date of closing, on the Leased Premises in the full amount of the full purchase price set forth above and subsequent owner's title policy from a licensed title company selected by Landlord. If the title be found to be unmarketable, Tenant shall notify the Landlord, in writing, prior to the date set for closing this transaction specifying the defects which exist with respect to the title to the property, and Landlord shall have a period of 120 days after such written notice within which to cure said defects in title to the reasonable satisfaction of the attorney for Tenant, or advise tenant that it will not be curing the defects to title. This sale shall be closed within ten (10) days after written notice of such curing to Tenant. Upon Landlord's failure to cure defects, all rights and liabilities arising hereunder shall terminate, or Tenant may, at Tenant's option, close this transaction in the same manner as if no such defect had been found.

c. Subject to the aforesaid curative period, the sale shall be closed and the deed shall be delivered on or before sixty (60) days after the date upon which Landlord receives the notice of intent to exercise option given by Tenant as provided above, and Landlord agrees to deliver possession of said property to Tenant at closing.

d. All closing costs, including documentary stamps and title insurance costs, recording fees, and closing fees, shall be split equally between Landlord and Tenant.

e. Ad valorem taxes shall be pro-rated as of the closing date without future pro-ration.

f. Landlord shall convey title by Warranty Deed, free and clear of any and all liens, judgments, encumbrances and other adverse matters, subject to such exceptions as approved by Tenant and provide such other closing documents as reasonably requested by Tenant and Tenant's title company. Landlord shall select the title agent. At Lessee election and request, in the event Tenant exercises this option, Landlord and Tenant shall enter into a Purchase and Sale Agreement in form and substance mutually acceptable to both parties. At Tenant's election and request, in the event Tenant exercises this option, Landlord and Tenant

shall enter into a Purchase and Sale Agreement in form and substance mutually acceptable to both parties. Tenant shall have a reasonable period of time, not less than 90 days following execution of the Purchase and Sale Agreement, to conduct due diligence, including title, survey, environmental, and physical inspections. Closing shall be contingent upon Tenant's satisfaction, in its sole discretion, with the results of such due diligence.

ARTICLE XXII Miscellaneous

SECTION 22.01 Accord and Satisfaction.

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein 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 any letter accompanying the check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease or by law.

SECTION 22.02 Entire Agreement; Modification.

This Lease sets forth all covenants, promises, and agreements, conditions and understandings between Landlord and Tenant concerning the Leased Premises and there are no covenants, promises, conditions or understandings, either oral or written, between them other than are herein set forth. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

SECTION 22.03 No Partnership.

Landlord does not, in any way or for any purpose become a partner of Tenant in the conduct of its business, or otherwise, or joint venture or a member of a joint enterprise with Tenant.

SECTION 22.04 Force Majeure.

In the event that either party shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lock-outs, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the party delayed in performing work or doing acts required under the terms of this Lease, then performance on any such act shall be extended for a period of such delay. The provisions of this Section 22.04 shall not operate to excuse Tenant from the prompt payment of rent, percentage rent, Additional Rent or any other payments required by the terms of this Lease.

SECTION 22.05 Notices.

- (a) All notices shall be in writing.
- (b) Any notice by Tenant to Landlord must be served by certified or registered mail, return receipt requested by a nationally recognized courier

service, postage prepaid, addressed to Landlord at the address first hereinabove given or at such other address as Landlord may designate by written notice.

(c) After commencement of the term hereof any notice by Landlord to Tenant shall be served by first class mail, return receipt requested, postage prepaid, or a nationally recognized courier service, addressed to Tenant at the Leased Premises or at such other address as Tenant shall designate by written notice or by delivery by Landlord to the Leased Premises or to such other address. Prior to the commencement of the term hereof such notice may be given to Landlord by such mail or delivery at the address set forth in section (a) of the Lease Summary.

(d) Notice shall be deemed to be properly given if addressed to Tenant at its last known address, if such first-class mail is refused or otherwise not delivered.

(e) Notice shall be deemed given when mailed.

SECTION 22.06 Captions and Section Numbers.

The captions, section numbers, article numbers and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope of intent of such sections or articles of this Lease nor in any way affect this Lease.

SECTION 22.07 Tenant Defined, Use of Pronoun.

The word "Tenant" shall be deemed and taken to mean each, and every person mentioned as a Tenant herein be the same, one or more and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one thereof and shall have the same force and effect as if given to all thereof. The use of the neuter singular pronoun to refer to Landlord or Tenant shall be deemed a proper reference even though Landlord or Tenant may be an individual, a partnership, a corporation, or a group of two or more individuals or corporations. The necessary grammatical changes required to make the provisions of this Lease apply in the plural sense where there is more than one Landlord or Tenant and to either corporations, associations, partnerships, or individuals, males or females, shall in all instances be assumed as though in each case fully expressed.

SECTION 22.08 Partial Invalidity.

If any term, covenant, or condition of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term 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, covenant or condition of this Lease shall be valid or be enforced to the fullest extent permitted by law.

SECTION 22.09 Effectiveness of Lease.

The submission of this Lease for examination does not constitute a reservation of or option for the Leased Premises and this Lease becomes effective as a lease only upon execution and delivery thereof by Landlord to Tenant, and the receipt

of the full security deposit, **if any**, and if paid by check, subject to clearance.

SECTION 22.10 Recording.

Tenant shall not record this Lease or any memorandum thereof without the written consent and joinder of Landlord.

SECTION 22.11 Liability of Landlord.

Anything contained in the Lease at law or in equity to the contrary notwithstanding Tenant expressly acknowledges and agrees that there shall at no time be or be construed as being any personal liability by or on the part of Landlord under or in respect of this Lease or in any way related thereto or the Leased Premises; it being further acknowledged and agreed that Tenant is accepting this Lease and the estate created hereby upon and subject to the understanding that it shall enforce or see to enforce any claim or judgment or any other matter for money or otherwise, personally or directly against any officer, director, stockholder, partner, principal (disclosed or undisclosed), representative or agent of Landlord, but will look solely to the Landlord's interest in the Leased Premises for the satisfaction of any and all claims, remedies or judgments (or other judicial process) in favor of Tenant requiring the terms, covenants or agreements to be performed by Landlord under this Lease or otherwise subject, however, to the prior rights of any ground or underlying lessors or the holders of the mortgages covering the Leased Premises, and no other assets of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claims; such exculpation of personal liability as herein set forth to be absolute, unconditional and without exception of any kind.

Section 22.12 Landlord's Consent.

In all circumstances under this Lease where the prior written consent of Landlord is required before Tenant may take an action with respect to the Leased Premises or this Lease, such consent may be granted or withheld using commercially reasonable standards.. If Landlord withholds or delays such consent (whether or not prudent, reasonable or based on good cause), then Landlord shall not be in default hereunder, and Tenant shall have no defense to the payment or performance of any of its obligations hereunder. In the event Tenant requests Landlord to consent to any such action, Landlord may require that Tenant reimburse Landlord for any attorneys' fees incurred by Landlord in connection with such request, not to exceed Twenty-Five Thousand Dollars (\$25,000.00) per occurrence or \$50,000.00 in the aggregate during any twelve (12) month period, plus an administrative fee equal to Landlord's actual, documented, and reasonable out-of-pocket costs incurred by Landlord in processing such request. Landlord shall provide written notice and reasonable supporting documentation of such fees and costs, and Tenant shall not be obligated to pay any such amount unless it has been budgeted, appropriated, and approved in accordance with applicable public sector requirements. Such fees shall be payable regardless of whether Landlord consents to such request.

Section 22.13 Time of Essence.

TIME IS OF THE ESSENCE of this Lease and each and all of its provisions in which performance is a factor.

SECTION 22.14 Estoppel Information.

When the Commencement Date is determined, Tenant agrees, upon request of Landlord, to execute and deliver to Landlord, without charge and within twenty(20) days following request therefor, a written declaration in form satisfactory to Landlord: (i) ratifying this Lease; (ii) confirming the commencement and expiration dates of the term of this Lease; (iii) certifying that Tenant is in occupancy of the Leased Premises, the date Tenant commenced operating Tenant's business therein and that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended, except by such writings as shall be stated; (iv) whether all conditions under this Lease to be performed by Landlord have been satisfied, except such as shall be stated; (v) whether there are no defenses or offsets against the enforcement of this Lease by Landlord, or stating those claimed by Tenant; (vi) reciting the amount of advance rental, if any, paid by Tenant and the date to which rental has been paid; (vii) reciting the amount of security deposited with Landlord, if any. Tenant agrees to execute and deliver similar declarations at any time and from time to time, but no more than three (3) in any calendar year and within twenty (20) days following request therefor by Landlord or by any mortgage binders or ground or underlying lessor and or purchasers of the Leased Premises, and each of such parties shall be required hereunder within twenty (20) days following the request therefor will constitute a default hereunder and Landlord shall have such rights and remedies against Tenant as is available to Landlord for Tenant's default.

SECTION 22.15 Waiver of Jury Trial.

THE PARTIES HERETO WAIVE TRIAL BY JURY IN CONNECTION WITH PROCEEDINGS BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER.

SECTION 22.16 Cumulative Remedies.

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

SECTION 22.17 Choice of Law.

This Lease shall be governed by the laws of the State of Florida. Venue shall be in Broward County, Florida.

SECTION 22.18 Radon Gas.

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 were 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.

SECTION 22.19 Counterparts.

This Lease may be executed in multiple copies, each of which shall be deemed an original, and all of such copies shall together constitute one and the same instrument.

SECTION 22.20 Acceptance of Funds by Landlord.

No receipt of money by the Landlord from the Tenant after the termination of this Lease or after the service of any notice or after the commencement of any suit, or after final judgment for possession of the Leased Premises shall reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit.

SECTION 22.21 Sale of Premises by Landlord.

In the event of any sale of the Leased Premises, Landlord shall be and is hereby entirely freed and relieved of all liability under any and all of its covenants and obligations contained in or derived from this Lease arising out of any act, occurrence or omission occurring after the consummation of such sale; and the purchaser, at such sale or any subsequent sale shall be deemed, without any further agreement between the parties and any such purchaser, to have assumed and agreed to carry out any and all of the covenants and obligations for the Landlord under this Lease.

SECTION 22.22 Construction.

This Agreement shall not be construed against either party regardless of who is responsible for its drafting.

SECTION 22.23 Landlord's Interest Not Subject to Liens.

Pursuant to the provisions of Section 713.10 of the Florida Statutes, the interest of the Landlord shall not be subject to liens for improvements made by the Tenant.

SECTION 22.24 No Pledge Agreement.

Tenant shall not mortgage, pledge or otherwise encumber its interest in the Lease or in the Demised Premises.

SECTION 22.25 Broker's Commission.

Landlord acknowledges that Colliers exclusively represents the Tenant in its effort to renew its currently leased space at the building. Colliers shall be compensated by Landlord by a separate brokerage agreement.

SECTION 22.26 Tenant Approval.

The City Manager of the City of Fort Lauderdale, Florida, is hereby authorized To sign and approve administrative matters, such as execution of estoppel letters under this lease, on behalf of the Tenant.

ARTICLE XXIII
Hazardous Waste

SECTION 23.01 Compliance with Environmental Laws; no Hazardous Conditions.

Tenant hereby represents, warrants, covenants and agrees to and with Landlord that all operations and activities upon, and any use or occupancy of all or any portion of the Leased Premises by Tenant, shall at all times be in and compliance with all Environmental Laws, and with all other applicable, state, federal and local laws and regulations governing or any way relating to the generation, handling, manufacturing, treatment, storage, use, transportation, spillage, leakage, dumping, discharge or disposal of any Hazardous Substances.

SECTION 23.02 Indemnification for Claims Related to False or Breached Warranties.

If the Tenant's warranties and representations contained in this article are false or breached, the Tenant agrees to defend, indemnify, and hold harmless the Landlord against any and all claims that the Landlord may be liable for, suffer, incur, or pay because of the false or breached warranties and representations. This section, 22.02, shall survive the termination of the Lease.

SECTION 23.03 Indemnification for Claims Related to Use of Substances.

Subject to the limitations of F.S. 768. 28, the Tenant agrees to defend, indemnify, and hold harmless the Landlord against any and all claims that the Landlord may be liable for, suffer, incur, or pay arising under any applicable laws and resulting from or arising out of any act, activity, or violation of any applicable laws by the Tenant, its agents, employees, or assigns. The Tenant will further defend, indemnify, and hold harmless the Landlord against any and all claims that the Landlord may be liable for, suffer, incur, or pay resulting from or arising out of any handling, storage, treatment, transportation, disposal, release, or threat of release of hazardous waste or hazardous substances from or on the Leased Premises. This section, 23.03, shall survive the termination of the Lease but shall expire upon expiration of the State and Federal responsibilities for any handling, storage, treatment, transportation, disposal, release, or threat of release of hazardous waste or hazardous substances from or on the Leased Premises.

SECTION 23.04 Effect of Violation. Any violation or breach of the provisions of this article constitute a default under this Lease.

SIGNATURE APPEAR ON FOLLOWING PAGE.

SIGNATURE PAGE FOR LANDLORD AND TENANT.

IN WITNESS WHEREOF, the Landlord and Tenant have executed this Lease as of the day and year first above written.

Signed, sealed and delivered in the presence of:

**LANDLORD: MI-3 PROPERTY LLC, A Florida
Limited Liability Company**

Witness as to Landlord

By: _____
IRFAN MANDANI, its Manager

Witness Print Name

Date: _____

Witness as to Landlord

Witness Print Name

**TENANT: CITY OF FORT LAUDERDALE, A
MUNICIPAL CORPORATION OF THE STATE OF
FLORIDA**

Witness as to Tenant

By: _____
DEAN J. TRANTALIS, Mayor

Witness Print Name

Date: _____

Witness as to Tenant

By: _____
RICKELLE WILLIAMS, City Manager

Witness Print Name

Date: _____

ATTEST:

Approved as to form and correctness:
D'Wayne Spence, Interim City Attorney

David R. Soloman, City Clerk

Lynn Solomon, Asst. City Attorney

EXHIBIT A - TENANT RESPONSIBILITIES

(With Lease Section Cross-References)

The following outlines the Tenant's specific obligations under this Lease Agreement. Each item includes a reference to the relevant article and section for ease of review:

1. Interior Maintenance and Repairs

- Maintain all improvements and equipment within the Leased Premises, regardless of cause.
- Includes repairs to walls, ceilings, flooring, doors, and interior finishes.
- ➤ *Reference: Article VII, Section 7.02(a)*

2. Janitorial and Cleaning Services

- Provide routine janitorial and cleaning services for the interior of the Leased Premises.
- Maintain a neat, clean, and orderly condition.
- ➤ *Reference: Article VII, Section 7.02(g)*

3. HVAC Maintenance

- Replace HVAC filters monthly and schedule annual service.
- Landlord may step in to perform this work if neglected, with costs charged to Tenant.
- ➤ *Reference: Article VII, Section 7.02(d)*

4. Signage Maintenance

- Responsible for maintaining all freestanding and wall signage (including placards).
- ➤ *Reference: Article VII, Section 7.01(a), clause (iv)*

5. Code Compliance and Safety

- Comply with all applicable federal, state, and local laws, including building, safety, and ADA requirements, unless alterations are required due to Landlord's structural conditions.
- ➤ *Reference: Article VII, Section 7.02(e); Article XII, Section 12.02*

6. Damage and Waste Prevention

- Prevent property waste, damage, or nuisance; repair any damage resulting from Tenant's acts or negligence.
- ➤ *Reference: Article VII, Section 7.02(f); Article XII, Section 12.01*

7. Prompt Reporting of Issues

- Provide prompt written and telephonic notice of any fire, damage, or emergency condition.
- ➤ *Reference: Article VII, Section 7.02(h); Article XVII, Section 17.03*

8. Tenant Fixtures, Equipment, and Property

- Maintain all furniture, trade fixtures, leased equipment, and personal property.
- ➤ *Reference: Article XVII, Sections 17.01 and 17.02*

9. Removal and Restoration at Lease End

- Remove Tenant-installed fixtures and equipment if requested; repair any damage caused by removal; return Premises in good condition.
- ➤ *Reference: Article VII, Section 7.02(f)*

11. **Utility Use Management**

- Responsible for utility services not provided by Landlord (e.g., trash removal, telephone, cable).
- Avoid overuse of electricity or water from Tenant's specialized equipment.
- ➤ *Reference: Article IX, Section 9.01*