

## **SEVENTH AMENDMENT TO LEASE AGREEMENT**

THIS **SEVENTH AMENDMENT TO LEASE AGREEMENT** (this "Seventh Amendment") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2015 (the "Seventh Amendment Effective Date"), by and between **TOWER 101 ASSOCIATES, LLC**, a Delaware limited liability company ("Landlord"), and **THE CITY OF FORT LAUDERDALE**, a Florida municipal corporation ("Tenant").

### **RECITALS:**

**WHEREAS**, Selzer-Ornst Co. ("Original Landlord") and Tenant entered into that certain Lease Agreement dated May 23, 1997 ("Original Lease"), as amended by that certain Lease Amendment dated September 3, 1997, between Original Landlord and Tenant ("First Amendment"), as further amended by that certain Second Amendment to Office Lease Agreement dated September 7, 2000, between CAPROC Third Avenue, L.L.C. ("Second Landlord"), as successor in interest to Original Landlord, and Tenant ("Second Amendment"), as further amended by that certain Third Amendment to Office Lease Agreement dated September 25, 2001 ("Third Amendment"), as further amended by that certain Fourth Amendment to Office Lease Agreement dated September 14, 2005 ("Fourth Amendment"), as further amended by that certain Fifth Amendment to Office Lease Agreement dated November 20, 2005 ("Fifth Amendment"), as further amended by that certain Sixth Amendment to Office Lease Agreement dated May 4, 2010 (the "Sixth Amendment" and together, collectively, with the Original Lease, First Amendment, Second Amendment, Third Amendment, Fourth Amendment, and Fifth Amendment, the "Lease"), for certain premises consisting of approximately eleven thousand seven hundred and sixty-four (11,764) rentable square feet of space known as Suites 1400 and 1470 (the "Premises") on the fourteenth floor of the building commonly known as Tower 101 located at 101 NE Third Avenue, Fort Lauderdale, Florida 33301 (the "Building");

**WHEREAS**, Landlord succeeded to the rights and obligations of Original Landlord and Second Landlord under the Lease;

**WHEREAS**, according to the Sixth Amendment, the Lease is scheduled to expire December 30, 2015; and

**WHEREAS**, Landlord and Tenant desire to amend the Lease to extend the Lease Term and make other modifications to the Lease according to the terms, covenants and conditions as more particularly set forth herein.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by both parties, Landlord and Tenant agree as follows:

1. Recitals. The Recitals set forth above are true and correct and are incorporated as if fully set forth herein.
2. Definitions. Capitalized terms shall have the meanings ascribed to such terms in

the Lease unless otherwise defined herein.

3. Extension of Lease Term. The parties agree that due to a scrivener's error, the Lease is currently scheduled to expire on December 30, 2015. The parties agree to extend the current Lease Term by one day to December 31, 2015, and agree that there shall be no rent due for such one day extension. Effective upon the Seventh Amendment Effective Date, Paragraph 1(a) of the Second Amendment, as amended by Paragraph 1 of the Fourth Amendment, Paragraph 1 of the Fifth Amendment, and Paragraph 1 of the Sixth Amendment, is hereby further amended to provide that the Lease Term shall be extended for an additional period of ninety-one (91) months (the "Seventh Amendment Extension Term"), with such Seventh Amendment Extension Term commencing on January 1, 2016 (the "Seventh Amendment Extension Term Commencement Date"), and continuing until midnight on July 31, 2023 (the "Expiration Date"). Effective upon the Seventh Amendment Extension Term Commencement Date, all references to the term "Lease Term" in the Lease shall mean the Seventh Amendment Extension Term.

4. Premises; Property. The parties agree that the size of the Premises shall be eleven thousand seven hundred and sixty-four (11,764) rentable square feet. The parties acknowledge that all square foot measurements are approximate and agree that the rentable square footage figure in the immediately prior sentence shall be conclusive for all purposes. For avoidance of doubt, the term "Building" for all purposes under the Lease shall mean the twenty-one (21) story office building containing approximately 177,455 rentable square feet of space and located upon the real property described in Exhibit A attached hereto and incorporated herein (the "Property"), and all references to the Property in the Lease shall be deemed to refer to the Property described in Exhibit A attached hereto and shall include the Building unless expressly provided otherwise.

5. Base Rental Schedule. Effective upon the Seventh Amendment Extension Term Commencement Date, Paragraphs 2(a) and 2(d) of the Second Amendment, as amended by Paragraph 2 of the Fourth Amendment, Paragraph 2 of the Fifth Amendment and Paragraphs 2, 6 and 7 of the Sixth Amendment, shall be further amended to provide that during the Seventh Amendment Extension Term, Tenant shall pay Base Rental to Landlord for the Premises on the first day of each month without notice, setoff, or deduction, and otherwise in accordance with the following payment schedule:

<u>Period</u>	<u>Rentable Square Feet</u>	<u>Annual Base Rental Rate Per Rentable Square Foot*</u>	<u>Monthly Installments of Base Rental*</u>
1/1/16 – 12/31/16	11,764	\$17.00	\$16,665.66
1/1/17 – 12/31/17	11,764	\$17.51	\$17,165.64
1/1/18 – 12/31/18	11,764	\$18.04	\$17,685.21
1/1/19 – 12/31/19	11,764	\$18.58	\$18,214.59
1/1/20 – 12/31/20	11,764	\$19.14	\$18,763.58
1/1/21 – 12/31/21	11,764	\$19.71	\$19,322.37
1/1/22 – 12/31/22	11,764	\$20.30	\$19,900.77
1/1/23 – 7/31/23	11,764	\$20.91	\$20,498.77

**\*Plus applicable State of Florida Sales Tax, if any. The parties acknowledge that Tenant is currently Florida Sales Tax exempt.**

The above Base Rental rates are exclusive of Additional Rent, including without limitation, Operating Expenses of the Property.

6. Abatement. Paragraph 2 of the Second Amendment is amended to add the following paragraph.

Provided that no monetary default exists beyond all applicable notice and cure periods at the time of the abatement provided below, Tenant's monthly installment of Base Rental shall be fully abated during the months of January 2016, January 2017, January 2018, January 2019, January 2020, January 2021, and January 2022, such seven (7) calendar months of abatement being collectively referred to herein as the "Abatement Period," for a total abatement of Base Rental in the amount of One Hundred Twenty Seven Thousand Seven Hundred Seventeen and 82/100 Dollars (\$127,717.82.) (the "Abated Rent"). The principal amount of the Abated Rent, together with interest thereon calculated at the Agreed Interest Rate as defined in section 8 of the Second Amendment, shall be amortized evenly over the Seventh Amendment Extension Term. So long as no uncured monetary default occurs under the Lease, upon Landlord's receipt of the final monthly installment of Base Rental, Tenant shall have no liability to Landlord for the repayment of any portion of the Abated Rent. In the event of a monetary default that exists beyond all applicable notice and cure periods, then in addition to all of Landlord's other remedies available under the Lease, Tenant shall also become immediately liable to Landlord for the unamortized portion of the Abated Rent existing as of the date of such event of default, and interest shall accrue thereon at the highest rate permitted by law. For avoidance of doubt, Tenant understands, acknowledges, and agrees that only Base Rental shall be abated during the Abatement Period, and that Tenant's obligation to pay Tenant's Share of Operating Expenses (as hereinafter defined) shall not be abated during the Abatement Period.

7. Operating Expenses. Paragraph 2 of the Second Amendment is amended to add the following:

For purposes of calculating Tenant's Share, Operating Expenses is defined as follows:

- a. "Operating Expenses" means all costs, fees, charges and expenses incurred or charged by Landlord in connection with the ownership, operation, maintenance and repair of, and services provided to, the Property, including, but not limited to, (i) the charges at standard retail rates for any services provided by Landlord pursuant to the Lease, (ii) the cost of insurance carried by Landlord pursuant to the Lease together with the cost of any deductible paid by Landlord in connection with an insured loss, (iii) Landlord's cost to maintain the Property pursuant to the Lease, (iv) the cost of trash collection, (v) to the extent not otherwise payable by Tenant pursuant to the Lease, all levies, taxes (including real estate taxes, sales taxes and gross receipt taxes), assessments, liens, license and permit fees, together with the reasonable cost of contesting any of the foregoing, which are imposed by any authority or under any applicable laws, ordinances, rules and regulations, or pursuant to any recorded covenants or agreements, upon or with respect to the

Property, or any improvements thereto, or directly upon the Lease or the rent or upon amounts payable by any subtenants or other occupants of the Premises, or against Landlord because of Landlord's estate or interest in the Property, (vi) expenditures for capital improvements and capital equipment that under generally accepted accounting principles are expensed or regarded as deferred expenses and capital expenditures, whether by purchase or lease, all of which expenditures are to be amortized over the useful life of the improvement in question, with interest in favor of Landlord on any amortized amounts at an annual rate equal to eight percent (8%), and only the annual amortization amount (prorated based on the number of days of the Lease Term in the calendar year) shall be payable by Tenant with respect to any calendar year, (vii) a market management and administrative fee not to exceed five percent (5%) of annual gross receipts of the Building, and (viii) costs to process the certification or re-certification of the Building pursuant to any applicable environmental rating system including applying, reporting, tracking and related reasonable consultant's fees associated therewith. The foregoing notwithstanding, Operating Expenses will not include: (i) depreciation on the Building, (ii) financing and refinancing costs (except as provided above), interest on debt or amortization payments on any mortgage or rental under any ground or underlying lease, (iii) leasing commissions, advertising expenses, tenant improvements or other costs directly related to the leasing of the Property, (iv) income, excess profits or corporate capital stock tax imposed or assessed upon Landlord, unless such tax or any similar tax is levied or assessed in lieu of all or any part of any taxes includable in Operating Expenses above, (v) costs incurred due to a violation of Law by Landlord relating to the project, (vi) repairs, replacements or other work occasioned by fire, windstorm or other casualty to the extent in excess of commercially reasonable deductible amounts of Landlord's property insurance, (vii) all items and services for which Tenant or other tenants reimburse Landlord outside of Operating Expenses, (viii) repairs, replacements or any other work paid for through insurance proceeds (in excess of any commercially reasonable deductible) or condemnation proceeds, (ix) legal expenses incurred for (a) negotiating lease terms or leases for prospective tenants, (b) negotiating termination, amendment or extension of leases with existing tenants, (c) proceedings against any other specific tenant relating solely to the collection of rent or other sums due to Landlord from such tenant or the enforcement of leases, or resolving disputes with tenants (including Tenant), or (d) the development and/or construction of the Project, (x) repairs resulting from any defect in the original design or construction of the Project, (xi) the wages of any employee for services not related to Property level accounting or the management, maintenance, operation and repair of the Project, (xii) rents underground leases, (xiii) costs incurred in selling, syndicating, financing or mortgaging any of Landlord's interests in the Project, (xiv) the cost of any service furnished to other tenants of the Project which Landlord does not make available to Tenant, and the costs of any special services rendered to individual tenants (including Tenant), for which a special, separate charge payable only by such tenant(s) is made, (xv) salaries, wages, or other compensation paid to officers or executives of Landlord above the rank or level of Vice President of Operations

and General Manager, (xvi) fines and penalties incurred by Landlord; (xxii) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same materially exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis, (xvii) Landlord's general corporate overhead and general and administrative expenses unrelated to the management, maintenance, operation and repair of the Project, including, without limitation, the preparation of Landlord's tax returns, (xviii) advertising and promotional expenditures, (xix) tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments and/or to file any tax or informational returns when due, (xx) Landlord's charitable or political contributions, (xxi) any increases in premiums for any insurance maintained by Landlord resulting from the extra-hazardous activities of Landlord or tenants, (xxii) any costs of maintenance, repairs or replacements required because of the willful misconduct of Landlord, its employees, agents or contractors, (xxiii) any costs of environmental remediation or abatement of hazardous materials caused by Landlord's gross negligence, (xxiv) damages or attorneys' fees incurred with respect to Landlord's torts, (xxv), costs resulting from a default, breach or violation by Landlord or any tenant of any lease, (xxvi) association dues and fees of business trade organizations unless relating to procuring and/or maintaining licenses and certifications, (xxvii) cost of remedying any penalties affecting the Project due to Landlord's gross negligence in violation of applicable laws, rules, regulations, or ordinances, and (xxviii) electrical costs reimbursed directly by tenants (including Tenant). Landlord shall have the right to directly perform (by itself or through an affiliate) any services provided under this Lease provided that the Landlord's charges included in Operating Expenses for any such services shall not exceed competitive market rates for comparable services.

- b. Tenant shall have the right to examine and review Landlord's books and records pertaining to Operating Expenses (the "Tenant's Review"), at Tenant's expense, one time during each calendar year provided that (i) Tenant provides Landlord with written notice of its election to conduct Tenant's Review no later than one hundred and twenty (120) days following Tenant's receipt of the annual operating expense statement (the "Annual Statement") and completes Tenant's Review within sixty (60) days after giving such notice; (ii) there is no monetary default beyond any applicable notice and cure periods by Tenant under the Lease as of the date that Tenant delivers such notice or any breach of the Lease that occurs during Tenant's Review after the giving of notice and that is not cured or in the process of being cured within any applicable cure periods, provided, however, that Tenant shall lose the right to perform Tenant's Review if such breach is not cured during the applicable cure period; (iii) Tenant fully and promptly pays all Rent, including Tenant's Proportionate Share of Operating Expenses as billed by Landlord pending the outcome of Tenant's Review; (iv) Tenant's Review is conducted by a qualified employee of Tenant or by an accounting firm engaged by Tenant on a non-contingency fee basis, and full and complete copy of the results of Tenant's Review is provided to Landlord; (v) Tenant and the person(s) conducting Tenant's Review agree that they will not divulge the contents of

Landlord's books and records or the result of their examination to any other person, including any other tenant in the Building other than Tenant's attorneys, accountants, employees and consultants who have need of the information for purposes of administering the Lease for Tenant or as otherwise required by law or in connection with legal proceedings against Landlord. If Tenant does not give Landlord written notice within one hundred and twenty (120) days after receiving the Annual Statement that Tenant disagrees with Landlord's calculation of Operating Expenses as set forth in the Annual Statement and specifying the items and amounts in dispute, Tenant shall be deemed to have waived the right to contest Landlord's calculation of Operating Expenses for the applicable year. Tenant shall not be entitled to challenge Landlord's calculation of Operating Expenses in any year(s) prior to the year for which Tenant's Review is being conducted, all such Operating Expenses to be deemed final and binding on the parties once Tenant's Review for that year has been conducted or Tenant's right to conduct Tenant's Review for such year has lapsed. Tenant's Review shall be conducted during Landlord's normal business hours at Landlord's office where the accounting records pertaining to Operating Expenses are maintained in Landlord's normal course of business. In the event that Tenant's Review demonstrates that Landlord has overstated Operating Expenses, Landlord shall reimburse Tenant for any overpayment of Tenant's Proportionate Share of such Operating Expenses within thirty (30) days of Landlord's receipt of reasonably sufficient documentation of such overstatement from Tenant; provided, however, that Tenant's Review must be completed within the time frames set forth in (i) above or Landlord shall have no obligation to reimburse Tenant for any overstatement of Operating Expenses for that year then under review. In the event that Tenant's Review demonstrates that Landlord has understated Operating Expenses, Tenant shall promptly reimburse Landlord for any underpayment of Tenant's Proportionate Share of such Operating Expenses. In the event Tenant's Review demonstrates that Landlord has overstated the Operating Expenses by more than seven percent (7%), Landlord shall bear the cost for such audit not to exceed \$2,000.

- c. "Tenant's Share" means 6.63%.
- d. "Lease Year" shall mean shall mean each twelve (12) month period beginning on Seventh Amendment Extension Term Commencement Date and each anniversary of the Seventh Amendment Extension Term Commencement Date thereafter throughout the Lease Term as the same may be extended.
- e. Commencing on the Seventh Amendment Extension Term Commencement Date and on the first day of each succeeding calendar month during the Lease Term, Tenant shall pay to Landlord Tenant's Share of Operating Expenses in accordance with the terms and provisions of this Seventh Amendment. Tenant shall pay one-twelfth (1/12) of Tenant's Share of the estimated Operating Expenses monthly in advance, together with the payment of Base Rental. Landlord may adjust such amount from time to time if the estimated annual Operating Expenses increase or decrease. Landlord may also invoice Tenant separately from time to time for

Tenant's Share of any extraordinary or unanticipated Operating Expenses. By April 30<sup>th</sup> of each year (and as soon as practical after the expiration or termination of this Lease or, at Landlord's option, after a sale of the Building), Landlord shall provide Tenant with a statement of Operating Expenses for the preceding calendar year or part thereof (the "Annual Statement"). Within 30 days after delivery of the Annual Statement to Tenant, Landlord or Tenant shall pay to the other the amount of any overpayment or deficiency then due from one to the other or, at Landlord's option, Landlord may credit Tenant's account for any overpayment. Landlord's and Tenant's obligation to pay any overpayment or deficiency due the other pursuant to this Section 7 shall survive the expiration or termination of the Lease as amended hereby. Notwithstanding any other provision of this Seventh Amendment to the contrary, Landlord may, in its reasonable discretion, determine from time to time the method of computing and allocating Operating Expenses, including the method of allocating Operating Expenses to various types of space within the Building to reflect any disparate levels of services provided to different types of space.

- f. If less than 95% of the Building's rentable area shall have been occupied by tenant(s) at any time during any Lease Year, Operating Expenses for any Lease Year shall be adjusted to the amount which would normally be expected to be incurred had 95% of all such areas been occupied throughout such year with said tenants paying full rent. Tenant's liability for Operating Expenses shall be apportioned to account for any partial year of rental, if applicable. In no event shall the Base Rental ever be reduced by operation of this Section 7 and the rights and obligations of Landlord and Tenant under the provisions of this Section 7 with respect to any Additional Rent shall survive the Termination Date.
- g. Notwithstanding anything herein to the contrary, Controllable Operating Expenses (defined as total Operating Expenses less those expenses related to property taxes and assessments, insurance, debris removal, utilities, and fuel surcharges) shall not increase by more than five percent (5%) annually on a cumulative compound basis over the actual Controllable Operating Expenses for the calendar year in which the Seventh Amendment Extension Term Commencement Date occurs.

8. Acceptance of the Premises. Tenant hereby accepts the Premises in its "As-Is" condition as of the Seventh Amendment Effective Date. Notwithstanding the foregoing sentence, subject to the terms of this Seventh Amendment, including, without limitation, the terms and conditions of the Work Letter attached to this Lease as Exhibit B, Landlord will construct the Tenant Improvements (as defined in the Work Letter).

9. Parking. For avoidance of doubt, Tenant understands, acknowledges and agrees that Tenant shall be responsible for its own parking. Landlord shall not be obligated to provide Tenant with any parking.

10. Paragraph 12 (g) of the Second Amendment is amended as follows:

HVAC; Ordinary Business Hours. As of the Seventh Amendment Effective Date, the terms "Ordinary Business Hours" and "Hours of Business" as used in the Lease shall mean 8:00 a.m. to 6:00 p.m. on Mondays through Fridays and 8:00 a.m. to 1:00 p.m. on Saturdays, exclusive of normal business holidays. Landlord shall provide central heat and air conditioning in the Premises, at such temperatures and in such amounts as are deemed by Landlord to be consistent with first class buildings in the same geographic vicinity as the Premises during Ordinary Business Hours. The current overtime charge is \$60.00 per hour per floor with a two (2) hour minimum and is subject to increase as reasonably determined by Landlord. To the extent not in conflict with the above provisions, paragraph 12 of the Second Amendment remains unchanged.

Security. Landlord shall provide a security guard for the Building twenty-four hours per day, seven days per week. Landlord, however, shall have no liability to Tenant, its employees, agents, invitees or licensees for losses due to theft or burglary, or for damages done by unauthorized persons on the Premises and neither shall Landlord be required to insure against any such losses. Tenant shall cooperate fully in Landlord's efforts to maintain security in the Building and shall follow all regulations promulgated by Landlord with respect thereto.

11. Alterations. Effective upon the Seventh Amendment Extension Term Commencement Date, Paragraph 6 of the Second Amendment shall be amended to insert the following at the end of such Paragraph:

"Notwithstanding the foregoing to the contrary, Tenant shall be permitted at its sole cost and expense and with prior written notice (which notice shall include plans and permits in the event such work is of a nature requiring permits) to Landlord but without Landlord's prior written consent, to make non-structural interior alterations to the Premises costing in the aggregate, not more than Fifty Thousand and No/100 Dollars (\$50,000.00) during any twelve (12) month period, provided that such alterations (i) are not structural, (ii) do not have an adverse effect on the value of the Premises or Building, (iii) do not affect any base Building system, including, but not limited to, life safety, mechanical, electrical, plumbing, and HVAC systems, and (iv) are not visible from outside the Premises. Tenant agrees to provide Landlord with copies of plans and permits for any alterations requiring the same. Any such alterations shall comply with all applicable laws relating to the Premises at Tenant's sole cost and expense."

12. Holding Over. Effective upon the Seventh Amendment Extension Term Commencement Date, Paragraph 14 of the Second Amendment shall be deleted and replaced with the following:

"Holding Over. In the event of holding over by Tenant without Landlord's written consent or after expiration or other termination of this Lease or in the event Tenant continues to occupy the Premises after the termination of Tenant's right of possession pursuant to Paragraph 19 hereof, Tenant covenants and agrees to pay (i) during the first thirty (30) days of holdover, 103% of the Base Rental due



during the month prior to such holdover, (ii) after the first thirty (30) days of holdover, 153% of the Base Rental due during the month prior to such holdover, and (iii) throughout the entire holdover periods, all additional rent which would have been applicable had the Term of this Lease continued through the period of such holding over by Tenant, including, without limitation, Operating Expenses. The foregoing amounts are to be charged on a monthly basis regardless of whether or not any portion of the holdover is for a partial month. No possession by Tenant after the expiration of the Lease Term shall be construed to extend the Lease Term, including any renewal or extension thereof, unless Landlord has consented to such possession in writing, and throughout such holdover period Tenant shall be deemed a tenant-at-sufferance. Under no circumstances shall Landlord be liable to Tenant, or Tenant be liable to Landlord, under any theory of tort, contract, strict liability or other legal or equitable theory for any punitive, special, incidental, indirect or consequential damages arising out of any Tenant holdover, each of which is excluded by agreement of the parties.

13. Surrender. Effective upon the Seventh Amendment Extension Term Commencement Date, Paragraph 24(b), and paragraph 6 of the Second Amendment, shall be amended to insert the following at the end of such Paragraph:

“Notwithstanding the foregoing, Tenant shall not be required, upon the expiration or earlier termination of this Lease, to remove any improvements made to the Premises unless Landlord’s approval for such improvements was conditioned upon such restoration. In addition, Tenant shall not be required to remove any of Tenant’s cable, wiring, fixtures, furniture or equipment upon the expiration of this Lease.”

14. Right to Relocate. Paragraph 37 of the Second Amendment is hereby deleted in its entirety.

15. Right to Recapture. Notwithstanding anything in Paragraph 9(a) of the Second Amendment to the contrary, Landlord shall have no right to recapture the Premises or terminate the Lease in connection with Tenant’s proposal of, or request for Landlord’s consent to, any sublease or assignment by Tenant.

16. Renewal Options. As of the Seventh Amendment Effective Date, all of Tenant’s rights and/or options to extend or renew the Lease Term as set forth in the Lease prior to this Seventh Amendment are hereby deleted and declared null and void and of no further effect. Paragraph 7 of the Fourth Amendment is hereby deleted in its entirety. Notwithstanding the foregoing, Tenant shall have two (2) consecutive three (3) year options to extend the Lease Term as provided in greater detail on Exhibit C attached hereto.

17. Right of First Offer. Provided (i) this Lease is in full force and effect and Tenant is not in monetary default hereunder beyond any applicable notice and cure period at the time Landlord gives the First Offer Notice (as hereinafter defined), (ii) no event has occurred that upon notice or the passage of time would constitute a monetary default, and (iii) Tenant is occupying and actively conducting business from the entirety of the Premises, then during the

initial twelve (12) month period of the Seventh Amendment Extension Term, in the event any space on the fourteenth floor of the Building becomes available, Landlord shall, subject to offers to any existing tenants as of the Seventh Amendment Effective Date, but prior to leasing said available space to another tenant, first offer said available space to Tenant by providing written notice to Tenant (the "First Offer Notice") of its opportunity to lease the available space on the same terms and conditions set forth in such First Offer Notice, such terms and conditions shall be at the then current terms and rate in the market. Notwithstanding anything contained herein, no space shall be deemed to come available if such space is assigned or subleased by the current tenant of the space, leased again by the current tenant of the space by way of renegotiation of its lease terms, leased again by the current tenant pursuant to a right to renew or extend its lease which right exists as of the Seventh Amendment Effective Date, or if such space is not vacant, or is subject to a specific expansion right of another tenant in the Building which right exists as of the Seventh Amendment Effective Date. Landlord shall make only one (1), if any, First Offer Notice to Tenant. In the event such First Offer Notice is made, Tenant shall have ten (10) business days from receipt of the First Offer Notice to exercise this right of first offer and lease the entire amount of space identified in the First Offer Notice. In the event Tenant shall timely notify Landlord of its decision to exercise this right of first offer, Landlord and Tenant shall execute an amendment to the Lease adding the additional space to the Premises on substantially the same terms as those in the First Offer Notice. In the event Tenant shall timely notify Landlord of its decision not to exercise this right of first offer, or shall fail to timely make its election, this right of first offer shall be deemed waived, and Landlord may market and/or lease the space on terms and conditions acceptable to Landlord in its sole discretion.

18. Notices. Effective upon the Seventh Amendment Effective Date, Paragraph 26 of the Second Amendment is hereby amended to provide that any notice required or permitted to be delivered to Landlord or Tenant under the Lease shall be delivered to Landlord or Tenant as follows:

Landlord

Tower 101 Associates, LLC  
c/o Banyan Street Capital  
80 SW 8<sup>th</sup> Street, Suite 2200  
Miami, Florida 33130  
Attn: Managing Director

Tenant

City Manager  
City of Fort Lauderdale  
100 North Andrews Avenue  
Fort Lauderdale, Florida 33301

With a copy to:

City Attorney  
City of Fort Lauderdale

100 North Andrews Avenue  
Fort Lauderdale, Florida 33301

19. Rent Payment. Effective upon the Seventh Amendment Effective Date, the Lease is hereby amended to provide that all payments, including, but not limited to, Rent, Monthly Base Rental, additional rent and any other payments due from Tenant to Landlord under the Lease and/or this Seventh Amendment shall be sent to Tower 101 Associates, LLC, c/o Banyan Street Capital, 80 SW 8<sup>th</sup> Street, Suite 2200, Miami, Florida 33130 (or such other address as may be designated by Landlord in writing from time to time).

20. Subordination, Non-Disturbance, and Attornment Agreement. Landlord agrees, promptly following the Seventh Amendment Effective Date, to use commercially reasonable efforts to assist Tenant in procuring from the holder of any lien on the Building existing as of the Seventh Amendment Effective Date, a subordination, non-disturbance and attornment agreement (the "SNDA"), providing in substance that the holder of such lien agrees that, so long as Tenant is not in default under the Lease beyond applicable notice and cure periods, Tenant's occupancy under the Lease shall remain undisturbed and shall survive any foreclosure or similar action. Landlord shall pay for all reasonable costs or fees required by any lien holder in connection with the SNDA.

21. Brokerage. Paragraph 42 of the Second Amendment is deleted and replaced with the following:

Brokerage. Tenant represents and warrants that it has neither consulted nor negotiated with any broker(s) or finder(s) with respect to the Premises and/or this Seventh Amendment except (i) CBRE, representing Tenant, and (ii) Jones Lang LaSalle, representing Landlord. Landlord shall pay only any commissions or fees that are payable to the above named broker(s) or finder(s) with respect to this Seventh Amendment pursuant to Landlord's separate agreement with such brokers or finders. Tenant shall indemnify and hold Landlord harmless from any and all damages resulting from claims that may be asserted against Landlord by any other broker(s), finder(s) or other person (including, without limitation, any substitute or replacement broker claiming to have been engaged by Tenant in the future), claiming to have dealt with Tenant in connection with this Seventh Amendment or any amendment or extension hereto, or which may result in Tenant leasing other or enlarged space from Landlord. The provisions of this Section 42 shall survive the termination of the Lease.

22. Counterparts and Signatures. This Seventh Amendment may be executed in multiple counterparts but such multiple counterparts shall constitute a single agreement. Signatures of this Seventh Amendment that are transmitted by either or both electronic or telephonic means (including, without limitation, facsimile and email) are valid for all purposes.

23. Ratification. The Lease remains in full force and effect except as expressly modified by this Seventh Amendment and is ratified and confirmed. If there is a conflict between the terms of the Lease and this Seventh Amendment, the terms of this Seventh Amendment shall control. Tenant further acknowledges that it has no claims, counterclaims,

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defenses or setoffs against Landlord, Landlord's managing member or Landlord's property manager arising in connection with the Lease or Tenant's occupancy of the Premises, including, without limitation, in connection with any amounts paid by Tenant to Landlord, throughout the Lease Term, for Tenant's share of expenses associated with the management and operation of the Property.

24. Signage. Landlord shall provide Tenant with Building Standard lobby directory signage and building standard suite signage outside of Tenant's premises at Landlord's expense.

25. Late Fee. Paragraph 2(b) of the Second Amendment is deleted. Both parties acknowledge that the Late Fee provisions in paragraph 2 of the Fifth Amendment shall control the assessment of late fees.

26. Damage by Fire. The following sentence is added to the end of the second paragraph of paragraph 20 (d) of the Second Amendment:

Nothing herein shall be deemed a waiver of Tenant's sovereign immunity as set forth in Section 768.28, Florida Statutes.

27. Hazardous Materials. The following sentence is added to the end of paragraph 41 of the Second Amendment.

This indemnity shall not exceed four (4) years from the expiration or earlier termination of the Lease.

28. Occupancy and Use. The first sentence of paragraph 4(a) of the Second Amendment is deleted and replaced with the following:

Tenant shall use and occupy the Premises for general governmental and administrative office use similar to the current operations such as Budget, Public Affairs, Audit and Public Works, and for no other purposes, without the prior written consent of Landlord.

29. Subordination. The last sentence of paragraph 15 of the Second Amendment is deleted.

30. Take Back Space. Paragraphs 4 and 5 of the Sixth Amendment are hereby deleted.

31. Operation and Effect. Both parties acknowledge that the Original Lease dated May 23, 1997 as stated in the Second Amendment and the First Amendment are no longer of any force or effect.

[Signatures appear on the following page.]



**IN WITNESS WHEREOF**, Landlord and Tenant have executed this Seventh Amendment to be effective as of the Seventh Amendment Effective Date.

WITNESSES

**THE CITY OF FORT LAUDERDALE**, a  
Florida municipal corporation

\_\_\_\_\_

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

Printed Name: \_\_\_\_\_

Name: John P. "Jack" Seiler

\_\_\_\_\_

Title: **Mayor**

Printed Name: \_\_\_\_\_

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

Name: Lee R. Feldman

Title: City Manager

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

Name: Jeffrey A. Modarelli

Title: City Clerk

Approved as to form:

\_\_\_\_\_  
Lynn Solomon, Assistant City Attorney

**"TENANT"**

WITNESSES

**TOWER 101 ASSOCIATES, LLC,** a  
Delaware limited liability company

\_\_\_\_\_

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

Printed Name: \_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

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

Printed Name: \_\_\_\_\_

**“LANDLORD”**

*RS*

**EXHIBIT "A"**  
**LEGAL DESCRIPTION (Tower 101)**

PARCEL 1:

LOTS 7 & 9 IN BLOCK E, OF THE GEORGE M. PHIPPEN'S SUBDIVISION OF LOTS THREE (3) TO SIX (6) OF BLOCK ONE (1), AND LOTS THREE (3) TO TEN (10) INCLUSIVE OF BLOCK FOURTEEN (14) OF THE TOWN OF FORT LAUDERDALE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK B, PAGE 146 OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, SAID SITUATED LAND LYING AND BEING IN BROWARD COUNTY, FLORIDA.

PARCEL II:

LOT 1, LESS THE EAST 20 FEET THEREOF, AND ALL OF LOTS 3 & 5, IN BLOCK E, OF THE GEORGE M. PHIPPEN'S SUBDIVISION OF LOTS THREE (3) TO SIX (6) OF BLOCK ONE (1), AND LOTS THREE (3) TO TEN (10) INCLUSIVE OF BLOCK FOURTEEN (14) OF THE TOWN OF FORT LAUDERDALE, ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK B, PAGE 146 OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA, SAID SITUATED LAND LYING AND BEING IN BROWARD COUNTY, FLORIDA.

Parcel No. 504210-11-0840

Address of Property: 101 NE Third Avenue, Ft Lauderdale, FL 33301

**EXHIBIT B**  
**WORK LETTER**

**TURN-KEY WORK LETTER**

1. Landlord, at its sole cost and expense will deliver the Premises to Tenant in turnkey condition utilizing Building Standard materials and finishes ("Landlord's Work"), constructed in accordance with that certain space plan attached to the Lease as Exhibit "B1" (the "Plans"). The cost of delivering the Premises to Tenant in turnkey condition, and otherwise in accordance with the Plans, shall include all costs incurred to place the Premises in compliance with local code requirements, including architectural fees, project management services and all other hard and soft costs of construction.

2. Any improvements that are not part of the Plans shall be at Tenant's sole cost and expense. Any improvements that are not part of the Plans shall be subject to Landlord's prior written approval, such approval not to be unreasonably withheld, conditioned or delayed. Tenant agrees to pay to Landlord, promptly upon receipt of any invoice, for all costs and expenses incurred for any improvements that are not part of the Plans. If unpaid within thirty (30) days after receipt of invoice, then the outstanding balance shall accrue at the rate of one-half percent (0.5%) per month until paid in full.

3. The Landlord's Work shall be deemed to be substantially complete when the work to be performed by Landlord pursuant to the Plans has passed all inspections of the applicable governmental authority except for items of work and adjustment of equipment and fixtures that can be completed after the Premises are occupied without causing material interference with Tenant's use of the Premises (i.e., "Punch List Items"). When Landlord's Work is nearing completion, Landlord shall notify Tenant and schedule a walk through with Tenant to create a discrepancy list ("Punch List") of the items of Landlord's Work, if any, which Tenant and Landlord mutually agree are incomplete or not in accordance with the Plans. Tenant shall accompany Landlord's construction manager or Landlord's architect on the Punch List walk-through. The terms "substantially complete" or "substantial completion" shall mean when Landlord's Work passes final inspection or a certificate of occupancy or completion is issued by the appropriate governmental authority.

Notwithstanding the foregoing, if Landlord shall be delayed in substantially completing the Landlord's Work as a result of:

- (i) Tenant's changes in the Plans (notwithstanding Landlord's approval of any such changes);
- (ii) Inability to obtain non-Building Standard materials, finishes or installations requested by Tenant; or
- (iii) Any act or omission by Tenant or its agents, representatives, and/or employees;



then, in any such event, for purposes of determining the date of substantial completion, the Landlord's Work shall be deemed to have been substantially completed on the date that Landlord and its contractor reasonably determine that the Landlord's Work would have been substantially completed if such delay or delays had not occurred.

4. All Work performed in connection with the construction of the Landlord's Work shall be performed (i) in a good and workmanlike manner, (ii) in accordance with all applicable laws and regulations and with the Plans, (iii) utilizing Building Standard (as hereinafter defined) materials and finishes designated by Landlord as outlined in Exhibit B2 attached hereto. Landlord will coordinate finishes for paint, carpet, tile, plastic laminate, base, lighting, and receptacles that are substantially similar throughout the entire Premises. Tenant understands, acknowledges and agrees that notwithstanding anything to the contrary, Landlord may require (a) its contractor (and its subcontractors) to purchase materials and finishes for the performance of the Landlord's Work through Landlord's preferred vendor(s) provided the cost of such materials and finishes does not, in the aggregate, exceed the competitive cost of the same materials and finishes not purchased from Landlord's preferred vendor(s), and (b) specific vendors to perform portions of the Landlord's Work affecting Building systems. The term "Building Standard" shall mean the type, brand, grade, or quality of materials and finishes Landlord designates from time to time to be used in the Building or, as the case may be, the exclusive type, brand, grade, or quality of materials and finishes to be used in the Building. Landlord shall deliver the Premises in accordance with all laws, codes and ordinances, including ADA, and shall ensure that all Base Building Systems within or serving the Premises are in good, working condition, all as evidenced by a certificate of occupancy or temporary certificate of occupancy.

5. Landlord agrees to repair and correct any work or materials installed by Landlord or its contractor in the Premises that prove defective as a result of faulty materials, equipment, or workmanship and that first appear within ninety (90) days after the date of occupancy of the Premises. Notwithstanding the foregoing, Landlord shall not be responsible to repair or correct any defective work or materials installed by Tenant or any contractor other than Landlord's contractor, or any work or materials that prove defective as a result of any act or omission of Tenant or any of its employees, agents, invitees, licensees, subtenants, customers, clients, or guests.

6. Tenant acknowledges that it will be occupying the Premises during performance of the Landlord's Work and agrees to minimize any interference with the Landlord and its contractors and not delay performance of the Landlord's Work. Tenant further agrees that no action of Landlord or its contractors in performing the Landlord's Work shall give to Tenant any right to modify the Lease either as to the Lease Term, Rent payables or other obligations to be performed by Tenant under the Lease subject to this Section 6. Landlord shall use commercially reasonable efforts to minimize disruption to Tenant during the completion of Tenant Improvements, including that Landlord shall make their best efforts to complete some of the work outside of normal business hours. Notwithstanding the foregoing, Tenant acknowledges and agrees that, at Landlord's reasonable discretion, some of the work associated with the Landlord's Work may be conducted

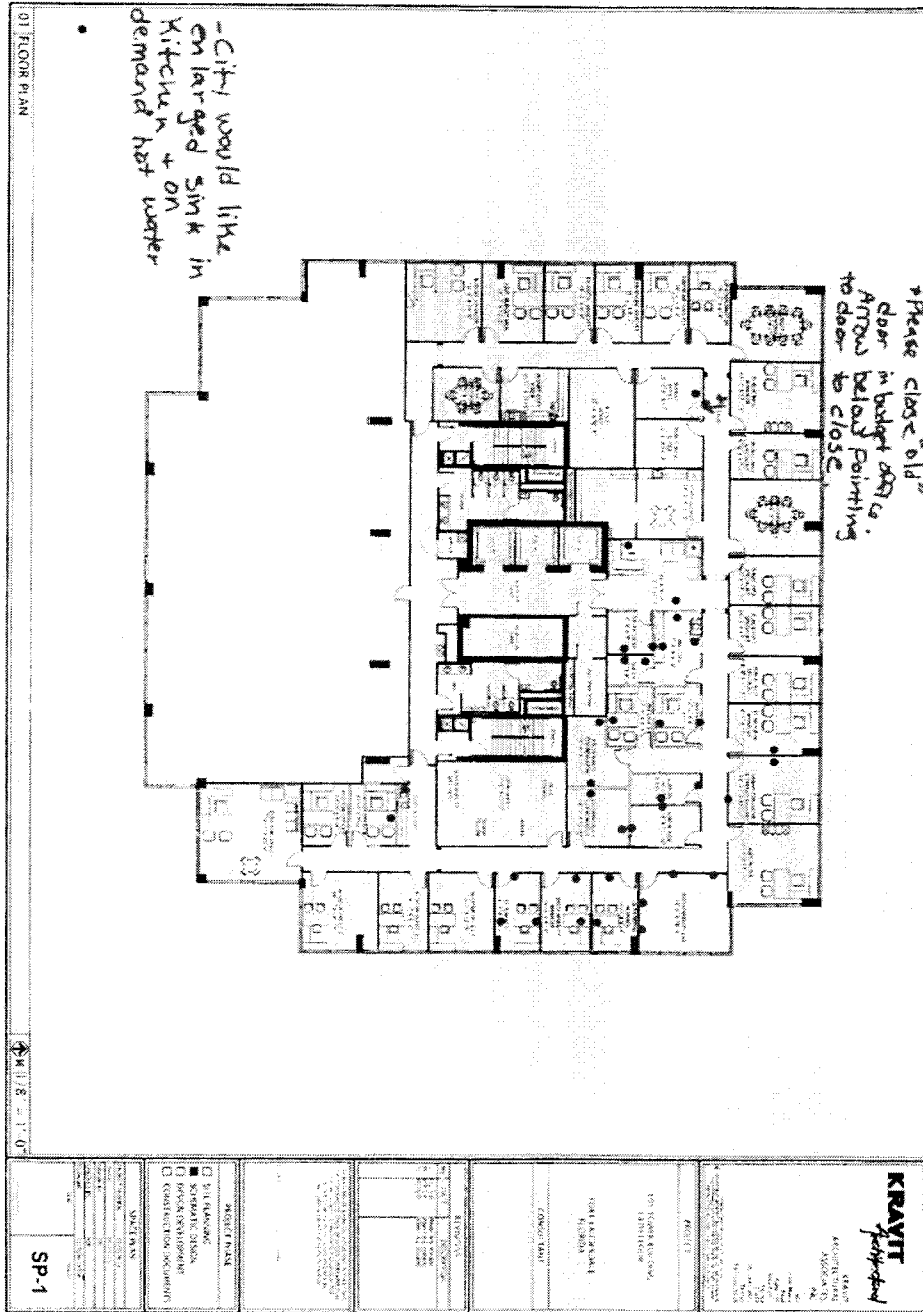
Monday through Friday during normal working hours while some of the work may also be conducted after normal working hours and on Saturdays and Sundays. The foregoing notwithstanding, following work, at a minimum, shall be completed after-hours: all demolition, all framing installation, all priming, painting and flooring. Landlord shall provide alternate space to Tenant in the Building at no additional cost, subject to availability. Accordingly, Landlord shall provide Tenant with a construction schedule in an effort to minimize the adverse impact on Tenant's operations in the Premises. Construction times pursuant to said construction schedule shall, collectively be deemed the "Work Period." Tenant agrees that (i) none of its employees, agents, or invitees shall be present at any time in the Restricted Area (as hereinafter defined) or present during the Work Period in the portion of the Premises in which the Landlord's Work is then being performed (the "Work Area"), and (ii) Tenant will inform its employees, agents, and invitees regarding the prohibition of entrance into the Restricted Area at any time, and Work Area during the Work Period. In addition to the foregoing, Tenant acknowledges and agrees that certain areas within the Work Area may be cordoned off and totally unavailable for access by Tenant, its employees, agents, and invitees during the Work Period and at all times other than the Work Period (the "Restricted Area") until Tenant is informed by Landlord that the area is safe for occupancy. Tenant agrees to indemnify, defend, and hold Landlord harmless from and against any suits, claims, damages, costs, expenses and liabilities asserted against or incurred by Landlord or the property as a result of Tenant's negligent acts, errors, or omissions while occupying the Premises during performance of the Landlord's Work. Nothing herein shall be deemed a waiver of Tenant's sovereign immunity as set forth in Section 768.28, Florida Statutes. Notwithstanding the foregoing, in no event shall Landlord be liable to Tenant for any damages for lost profits, lost business opportunities, loss of use or equipment, down time, and loss of or corruption to data arising out of or relating to the performance of the Landlord's Work regardless of the legal theory under which such damages are sought, and even if Landlord has been advised of the possibility of such damages or loss.

The Design and Construction Documents shall be subject to review and approval by the Tenant before Landlord shall commence Landlord's Work. Landlord shall make the plans available to Tenant for review at the Premises and provide the Tenant at least 10 days to review and approve the design and construction documents.

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OK - Ender

8/17/19



**EXHIBIT "B2"**  
**BUILDING STANDARDS**

**TOWER 101**

**Tenant Improvement- Building Standards**

**1.0 WALLS AND PARTITIONS**

Demising Partitions

- 3 5/8" metal studs @ 24" o.c., 5/8" Type X Gypsum wallboard with insulation Full height floor to floor (above ceilings: taped, unfinished)

Interior Partitions

- 3 5/8" metal studs @ 24"

**2.0 DOORS**

Interior Doors

- 3'-0"x 8'-0"x 1 3/4" S.G. Particle board core, select white Birch vertical cut, stained to match existing.  
OR
- 3'-0"x 8'-0"x 1 3/4" Particle board core, single lite French door, select white Birch vertical cut, stained to match existing.
- Hager BB1179, Finish 626 finish
- Knock down metal Jamb- 4 7/8" Throat. Frame Painted Semi-gloss.
- Lever Passage Hardware – Yale Cylindrical Lock with six pin GA key way Cylinder. 5400LN Series, Trim: Augusta, Model: 8807FL Finish- Brushed Chrome finish, 2 3/4" Backset.

Exterior Doors

- 72" x 96 clear tempered glass door with polished edges and 1 3/4" x 4" aluminum header, 4" square top and 4" flat Stainless Steel bottom door rails with locks in both rails. Concealed overhead closer and 24" back to back pulls.
- 3'-0"x 8'-0"x 1 3/4" S.G. Particle board core, select white Birch vertical cut, stained to match existing.  
OR
- 3'-0"x 8'-0"x 1 3/4" Particle board core, single lite French door, select white Birch vertical cut, stained to match existing.
- Hager BB1179, Finish 626 finish
- Knock down metal Jamb- 4 7/8" Throat. Frame Painted Semi-gloss.
- Lever Passage Hardware – Yale Cylindrical Lock with six pin GA key way Cylinder. 5400LN Series, Trim: Augusta, Model: 8807FL Finish- Brushed Chrome finish, 2 3/4" Backset.

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2015 Building standards for Tower 101 - 101 NE Third Ave. Fort Lauderdale, FL 33301

b2

# TOWER 101

## Tenant Improvement- Building Standards

### 3.0 TENANT FINISHES

#### Walls

- Latex paint, flat finish, primer and 2 coats –Sherwin Williams, Low VOC or approved equal

#### Door Frames

- Oil paint, Semi-gloss finish, primer and 2 coats –Sherwin Williams, Low VOC or approved equal

#### Base

- Vinyl Base: Johnsonite 4" or approved equal

#### Ceilings

- 2' x2' Acoustical Tiles Armstrong Georgian 1752-B with 15/16" Grid
- 5/8" G.W.B. on existing 1 5/8" metal studs at perimeter wall

#### Floors

- Carpet: Broadloom, Shaw – Contour, Outline, Gradient - Common Areas, Reception, Offices, Conference – or approved equal
- Vinyl Composition Tile: Armstrong Standard Excelon in 12" x 12" - Break, Copy, Closets, & Server Rooms

#### Plastic Laminate

- PL-1: Formica Countertops/Backsplash
- PL-2: Formica Upper & lower cabinets
- Solid standard color

#### Window Treatment

- 1" mini Blinds, white (Custom Blinds)

### 4.0 ELECTRICAL

#### General Lighting

- 2' x 4' fluorescent Fixture, 18 square diffuser, 3 – 277v lamp (Existing)
- INDY 2X2 LED recessed Direct/Indirect lighting, luminaire S2X2BP Series
- 735 warm white bulbs only

#### Exit Signs

- Beghelli USA OL2 Surface/Recessed Edge-Lit Exit Sign. Recessed ceiling mount, brushed aluminum trim, clear background with red letters.

Page 2 of 2

2015 Building standards for Tower 101 - 101 NE Third Ave. Fort Lauderdale, FL 33301

## EXHIBIT C RENEWAL OPTION

1. Option to Renew. Tenant shall have the right and option to renew the Lease (the "Renewal Option") for two (2) additional consecutive periods of three (3) years each (each a "Renewal Lease Term") provided, however, such Renewal Option is contingent upon the following: (i) Tenant is not in monetary default beyond all applicable notice and cure periods at the time Tenant gives Landlord notice of Tenant's intention to exercise the Renewal Option; (ii) upon the Expiration Date or the expiration of any Renewal Lease Term, Tenant has no outstanding monetary default; (iii) no event has occurred that upon notice or the passage of time would constitute a monetary default; and (iv) Tenant is occupying and actively conducting business from the entirety of the Premises. Following the expiration of the second Renewal Term, Tenant shall have no further right to renew the Lease pursuant to this Exhibit C.

2. Exercise of Option. Tenant shall exercise each Renewal Option by giving Landlord written notice at least nine (9) months prior to the Expiration Date, or then current Renewal Lease Term, as applicable; provided, however, that the Fair Market Rental Rate determination made pursuant to this Exhibit C shall not occur more than twelve (12) months prior to the Expiration Date. If Tenant fails to give such written notice to Landlord prior to said nine (9) month period, then Tenant shall be deemed to have waived the Renewal Option. If Tenant exercises the Renewal Option, then during the Renewal Lease Term, Landlord's and Tenant's respective rights, duties and obligations shall be governed by the terms and conditions of the Lease. Time is of the essence in exercising the Renewal Option.

3. Term. If Tenant exercises the Renewal Option, then during the Renewal Lease Term, all references to the term "Lease Term", as used in the Lease, shall mean the "Renewal Lease Term".

4. Termination of Renewal Option on Transfer by Tenant. In the event Landlord consents to an assignment or sublease by Tenant, then the Renewal Option shall automatically terminate unless otherwise agreed in writing by Landlord.

5. Base Rental for Renewal Lease Term. The Base Rental for the Renewal Lease Term shall be the Fair Market Rental Rate, determined as follows:

Definition. The term "Fair Market Rental Rate" shall mean the amount that a willing, comparable, new (i.e. non-renewal), non-equity tenant would pay, and that a willing landlord of a comparable space in the submarket in which the Building is located (the "AREA") would accept at arms' length. Appropriate consideration shall be given to (A) the annual rental rate per rentable square foot; (B) the definition of rentable square feet for purposes of computing the rate; (C) location, quality and age of the Building and all of the Building systems; (D) the financial condition (e.g., creditworthiness) of Tenant; (E) escalation (including type, re-set base year and stop) and abatement of commissions, if any; (G) length of the lease term; (H) size (i.e., square footage) and improvement allowance, if any; (J) condition of space; provided, however, that the fair market rental rate shall not take into account any Tenant Improvements or alterations constructed by Tenant; (K) lease takeover/assumption; (L) moving expenses and other

concessions; (M) extent of services to be provided; (N) distinctions between "Gross and "Net" leases; (O) base year figures or expense stops for escalation purposes for both operating costs and ad valorem/real estate taxes; (P) the time the particular rental rate under consideration becomes or is to become effective; (Q) applicable caps on the amount of real estate taxes and assessments passed through to tenants; and (R) other generally applicable conditions of tenancy for the space in question, including bona fide, written offers made to Landlord by third parties at arms' length.

Determination. Landlord shall deliver to Tenant notice of the Fair Market Rental Rate (the "FMRR Notice") for the Premises for the Renewal Lease Term in question within ten (10) business days after Tenant exercises the option giving rise for the need to determine the Fair Market Rental Rate; provided, however, that if Tenant exercises its Renewal Option prior to twelve (12) months before the Expiration Date, then Landlord shall not be obligated to deliver the FMRR Notice until after twelve (12) months before to the Expiration Date. If Tenant disagrees with Landlord's assessment of the Fair Market Rental Rate specified in a FMRR Notice, Tenant shall then have the option to select one of the following items within thirty (30) days after Landlord delivers the FMRR Notice to Tenant: (i) accept Landlord's proposed terms; (ii) reject Landlord's proposed terms without any further financial expense, legal obligation or sacrifice of any terms provided to Tenant under the Lease and the Lease shall terminate as of the expiration date; or (iii) deliver to Landlord notice that Tenant disagrees with Landlord's assessment of the Fair Market Rental Rate, in which event, Landlord and Tenant shall meet to attempt to determine the Fair Market Rental Rate as set forth below. An Amendment to Lease for exercising such option(s) must be signed five (5) months prior to lease expiration.

If Tenant timely delivers to Landlord notice that Tenant disagrees with Landlord's assessment of the Fair Market Rental Rate, then Landlord and Tenant shall meet to attempt to determine the Fair Market Rental Rate. If Tenant and Landlord are unable to agree on such Fair Market Rental Rate within sixty (60) days after Tenant notifies Landlord of Tenant's disagreement with Landlord's assessment thereof, then Tenant may, by written notice to Landlord received within five (5) business days thereafter, either (a) rescind Tenant's exercise of the Renewal Option, in which event the Renewal Option shall be null and void or (b) implement a process to resolve the dispute as set forth herein. If Tenant fails to rescind its exercise of the Renewal Option within such five (5) business day period, then Tenant shall be deemed to have waived its right to rescind the Renewal Option. Time is of the essence in exercising the foregoing right to rescind.

In the event Tenant elects to resolve the disagreement pursuant to item (iii) above, within fifteen (15) days after Tenant notifies Landlord that it disagrees with Landlord's determination of the Fair Market Rental Rate and does not withdraw its exercise of Renewal Option, Landlord and Tenant shall each appoint, by written notice to the other, a licensed commercial real estate broker who has had, within the immediately preceding seven (7) years, at least five (5) years of commercial real estate office building leasing experience in the Downtown Fort Lauderdale, Florida submarket, provided that neither of such brokers shall have a conflict of interests in representing either Landlord or Tenant. If either party fails to appoint such a real estate broker within such fifteen (15) day period, then the broker who is appointed shall select the second broker. Such two brokers shall, within five (5) days after their designation, proceed to appoint a third licensed commercial real estate broker meeting the required qualifications. If the two (2) brokers are unable to agree on the third broker within such five (5) day period, either Landlord or



Tenant, by giving five (5) days prior written notice thereof to the other, may apply to the then presiding Clerk of Court of Broward County for selection of a third broker who meets the qualifications stated above. Within fifteen (15) days after the selection of the third broker, a majority of the brokers shall determine the Fair Market Rental Rate. If a majority of the brokers are unable to agree upon the Fair Market Rental Rate by such time, then the two (2) closest brokerage appraisals shall be averaged and the average will be the Fair Market Rental Rate. Tenant and Landlord shall each bear the entire cost of the broker selected by it and shall share equally the cost of the third broker.

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