



REVISED

AGENDA REQUEST FORM

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA

Special Order Request	
☒ Yes	☐ No
Time 2:15 PM	
Open Agenda	
☒ Yes	☐ No

ITEM No.:

LL-4.

MEETING DATE

Apr 21 2015 10:15AM - Regular School Board Meeting

AGENDA ITEM

OPEN ITEMS

CATEGORY

LL. OFFICE OF PORTFOLIO SERVICES

DEPARTMENT

Facility Planning and Real Estate

TITLE:

Renewal of Lease Agreement Between The School Board of Broward County, Florida and COPANS 2011, LLC

REQUESTED ACTION:

Approve the Renewal of Lease Agreement Between The School Board of Broward County, Florida (SBBC) and COPANS 2011, LLC regarding the Broward Education Foundation "Tools for Schools Broward".

SUMMARY EXPLANATION AND BACKGROUND:

In 2010, the SBBC entered into Agreement with COPANS 2011, LLC to lease a store front for the Broward Education Foundation "Tools for Schools Broward" Program. The leased location provides warehouse and retail/showroom space for teachers to select donated school supplies and products, and is conveniently located and highly visible on a commercial street along Copans Road. The lease became effective on August 1, 2010, and is set to expire on July 31, 2015.

See Supporting Docs for continuation of Summary Explanation and Background.

This Agreement has been reviewed and approved as to form and legal content by the Office of the General Counsel, and upon approval by the SBBC, COPANS 2011, LLC will execute the Agreement.

SCHOOL BOARD GOALS:

☐ Goal 1: High Quality Instruction ☒ Goal 2: Continuous Improvement ☐ Goal 3: Effective Communication

FINANCIAL IMPACT:

The financial impact to the District is \$71,138.52 to include \$68,138.52 for annual rental fee; and \$3,000.00 annually for electric costs. Funds for this item will come from Capital Projects Reserve.

EXHIBITS: (List)

(1) Summary Explanation and Background (2) Executive Summary (3) Lease Agreement (4) Exhibit 3 Analysis Matrix (5) Exhibit 4 BEF Tools for Schools Broward 2014-2015 (6) Exhibit 5 Support Letters (7) Exhibit 6 Pros - Cons (8) Collaboration Form

BOARD ACTION:**APPROVED**

(For Official School Board Records Office Only)

SOURCE OF ADDITIONAL INFORMATION:

Name: Chris O. Akagbosu

Phone: 754-321-2162

Name: J. Paul Carland, II

Phone: 754-321-2050

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
Senior Leader & Title

Leslie M. Brown - Chief Portfolio Services Officer

Signature

Leslie M. Brown

April 20, 2015 10:41:55 AM EDT

Approved In Open
Board Meeting On:

By:

APR 21 2015

School Board Chair

LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into as of this 7th day of May, 2015, by and between:

THE SCHOOL BOARD OF BROWARD COUNTY, FLORIDA
(hereinafter referred to as "SBBC"),
a body corporate and political subdivision of the State of Florida,
whose principal place of business is
600 Southeast Third Avenue, Fort Lauderdale, Florida 33301

and
COPANS 2011, LLC
(hereinafter referred to as "LESSOR"),
whose principal place of business is
900 GLADES ROAD, SUITE 2B, BOCA RATON, FLORIDA 33431
34

WHEREAS, SBBC is desirous of leasing space to be used by the Broward Education Foundation for the purpose of providing warehouse and retail/showroom space for the Foundation's "Tools For Schools Broward"; and

WHEREAS, 2300 West Copans Rd, Bay #5, Pompano Beach, FL 33069 is an appropriate UNIT with 7,087 - square feet including restrooms; and

WHEREAS, The Broward Education Foundation shall occupy the following property: 2300 West Copans Rd, Bay #5, Pompano Beach, Florida 33069 and COPANS 2011, LLC consents thereto.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants contained herein and the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 - RECITALS

1.01 **Recitals.** The Parties agree that the foregoing recitals are true and correct and that such recitals are incorporated herein by reference.

ARTICLE 2 - CONDITIONS

2.01 **Leased Property.** The SBBC shall lease the following described property: 2300 West Copans Rd., Bay #5, Pompano Beach, Florida 33069. The premises consists of approximately 7,087 square feet, (See **Exhibit "A"**).

2.02 **Lease Term.** The term of this lease shall be for one (1) year commencing on August 1, 2015 and concluding on July 31, 2016, unless terminated sooner under Section 3.04.

2.03 **Hours of Operation.** The property herein leased may be used 24 hours a day 7 days per week.

2.04 **Rental** SBBC agrees to pay to LESSOR an annual Base rental in the amount of Forty Three Thousand Fifty Dollars and 72/100 cents (\$43,050.72) (the "**Base Rent**"), payable in monthly installments in the amount of Three Thousand Five Hundred Eighty Seven Dollars and 56/100 cents (\$3,587.56) plus other proportionate operating expenses (NNN) on or before the first day of each calendar month during the term of this Lease. The estimated Operating Expenses for 2015 is \$ 3.54 per square feet or \$2,090.65 per month exclusive of electricity and janitorial within the premises; Operating expenses and other rents are described in detail in **Exhibit C** of this lease. Total gross monthly rent (Base Rent and Additional Rent) for year 1 shall be \$5,678.21.

2.05 **Additional Rent.** In addition to the Base Rent, SBBC will pay as additional rent ("Additional Rent"), from the Rent Commencement Date until the Lease Expiration Date, its proportionate share ("Tenant's Proportionate Share") of the Operating Expenses of the Building and the Property. Additional Rent will be paid to LESSOR in accordance with the following provisions:

A. LESSOR will furnish to SBBC 60 days after the beginning of each calendar year, including the first (partial) calendar year, LESSOR's estimate of Operating Expenses for the upcoming year. The term "Operating Expenses" is defined in **Exhibit C** which is incorporated herein by reference. The Operating Expenses will be determined as though the Building is occupied in that year at the actual occupancy rate or at an occupancy rate of 95 *per cent*, whichever is higher. SBBC will pay to LESSOR, on the first day of each Lease month, as Additional Rent, an amount equal to 1/12th of Tenant's Proportionate Share of LESSOR's estimate of the Operating Expenses for that calendar year. If there will be any increase or decrease in the Operating Expenses for the year, whether during or after such year, LESSOR will furnish to Tenant a revised estimate and the Operating Expenses will be adjusted and paid or refunded, as the case may be. If a calendar year or Lease Month begins or ends after the expiration or termination of this Lease, the Additional Rent payable hereunder will be prorated to correspond to that portion of the calendar year occurring within the Lease Term.

B. Within 120 days after the end of each calendar year, LESSOR will furnish to SBBC a statement showing a summary of the actual Operating Expenses incurred for the preceding calendar year. SBBC will either receive a refund (in the manner set out below) or be assessed an additional sum based upon the difference between Tenant's Proportionate Share of the actual Operating Expenses and the Additional Rent payments made by SBBC during said year. Any additional sum owed by SBBC to LESSOR will be paid within 30 days of receipt of assessment. Any refund owed by LESSOR to SBBC will be credited toward the next month's rental payment. Each statement of Operating Expenses given by

LESSOR will be conclusive and binding upon **SBBC** unless, within 90 days after **SBBC**'s receipt thereof, **SBBC** will notify **LESSOR** that it disputes the accuracy of said statement and describe in reasonable detail what Operating Expenses are being disputed. Failure of **LESSOR** to submit the written statement referred to herein will not waive any rights of **LESSOR** nor excuse **SBBC**'s obligation to pay the difference of actual Operating Expenses hereunder at the time said statement is actually delivered to **SBBC**.

The estimated Operating Expenses for 2015 are currently \$3.54 per rentable square foot, provided, however, **LESSOR** and **SBBC** acknowledge that this is only an estimate and the actual Operating Expenses may vary. **SBBC** acknowledges that the estimated Operating Expenses exclude janitorial services within the premises and electricity (separately metered) and both must be paid by **SBBC**.

C. Tenant's Proportionate Share. "Tenant's Proportionate Share" will, at any given time, be defined as that fraction having as a numerator the total rentable square footage leased hereunder and having as a denominator the total rentable square footage of the Building. Tenant's Proportionate Share at the Commencement Date is 9.32% of the two buildings. The amounts to be included in Tenant's Proportionate Share as described will be based upon the actual cost per rentable square foot paid by **LESSOR** for those items of expense. Operating Expenses will not include leasing commissions and expenses or Tenant improvements incurred for other Building or Property occupants.

D. Other Rent Tenant's Proportionate Share. Other Rent is all payments that **SBBC** is required to make pursuant to this Lease other than Base Rent and Additional Rent. Base Rent, Additional Rent and Other Rent sometimes are collectively referred to herein as "Rent" or "Rents." Other Rent includes any sales, use, privilege, intangibles or other gross taxes, or taxes in lieu thereof, assessed (directly or indirectly) against **LESSOR** on Rents other than such taxes, and any required payment of such Rents must be accompanied by such taxes assessed. Other Rent is due as provided in this Lease.

2.06 **Destruction of Premises.** If the premises shall be rendered untenable as the result of damage by fire or other casualty, **LESSOR** shall have the right to render the premises tenantable by repairing same within 120 days from the date of casualty. If **LESSOR** has not rendered the premises tenantable within said time, either party hereto may cancel this Lease by delivering written notice of cancellation to the appropriate party. **SBBC**'s rent shall be proportionately abated during the period any portion of the premises are untenable.

2.07 **Eminent Domain.** If the premises or any part thereof or any estate therein, or any other part of the property materially affecting **SBBC**'s use of the premises, be taken by virtue of eminent domain, this Lease shall terminate on the date when title vests pursuant to such taking, the rent and any other monies shall be apportioned as of said date and any rent paid for any period beyond said date shall be repaid to **SBBC**. **SBBC** shall not be entitled to any part of the award or any payment in lieu thereof; but **SBBC** may file a claim for any taking of fixtures and improvements owned by **SBBC** and for moving expenses.

2.08 **ADA.** The LESSOR hereby represents that to the best of their knowledge, the property herein meets all accessibility requirements of the Federal Americans with Disabilities Act (ADA), Florida Accessibility Code for Building Construction implemented under the Florida Americans with Disabilities Implementation Act, except as modified by State Requirements for Educational Facilities, for the use or occupancy intended by the SBBC.

2.09 **Asbestos.** The LESSOR hereby represents that to the best of their knowledge, the property described herein is free from friable asbestos as defined in the Asbestos Hazard Emergency Response Act (AHERA), 40 CRF Part 763, Asbestos Materials in Schools, October 30, 1987, and Florida State Requirements for Educational Facilities (SREF) 1999, whichever is more stringent.

2.10 **Transfer.** The SBBC shall not assign or sublet the facilities delineated in this lease, or use said facilities or any part thereof, for any purpose other than set out in the Lease without consent of the LESSOR.

2.11 **Condition of Premises.** LESSOR will insure that the air conditioning, electric service, including all outlets, switches, light fixtures, etc., and all plumbing facilities are in good working order prior to occupancy.

2.12 **Heating and Air Conditioning.** The LESSOR agrees to furnish and keep in good repair, heating and air conditioning (existing equipment on the premises), to include system maintenance, for the leased property during the term of the lease, at the expense of the LESSOR. SBBC shall only be responsible for changing air conditioning filters and air flow and return vents within the premises. Heating and air conditioning services shall be provided for the days and times as indicated in paragraph 2.03 above.

2.13 **Light Fixtures.** The SBBC agrees to maintain all light fixtures in the Lease Property. SBBC shall be responsible for replacement of all bulbs, lamps, tubes, and starters used in such fixtures for normal interior lighting; LESSOR at SBBC's request can help or setup those changes. The LESSOR shall be responsible for the maintenance and operation of all emergency lights and exit lights and the replacement of all bulbs and batteries to maintain said emergency lighting, unless said fixtures have been damaged by SBBC's negligence. Notwithstanding the foregoing, at commencement of lease, LESSOR will insure that all light fixtures are operating, have a uniform color, and have clean lenses.

2.14 **Fire Protection.** The LESSOR shall maintain and keep in good repair all fire prevention and detection devices, including fire alarm and sprinkler systems that already exist on the premises

A. The LESSOR will arrange for an annual testing and certification, per fire code. A maintenance logbook recording the annual testing and maintenance will be kept with the system.

B. **SBBC** shall install Fire Extinguishers, which shall be placed according to code and certified annually. **SBBC** is responsible for recharging discharged extinguishers.

2.15 **Maintenance Repairs.**

A. The **LESSOR** shall maintain and keep in good repair the interior of the Lease Property, to include all structural, electrical, plumbing and air conditioning maintenance and repairs.

B. The **LESSOR** shall maintain and keep in good repair the exterior of the demised premises during the term of this lease and shall be responsible for the replacement of all windows, doors and ancillary fixtures broken and damaged at the demised premises, except such breakage or damage caused to the exterior of the demised premises by the **SBBC**, its officers, agents or employees.

2.16 **Utilities:** The **LESSOR** will promptly pay the charges for all gas and water used by the **SBBC** on the premises, during the term of this lease. The **SBBC** shall promptly pay for electric charges.

2.17 **Custodial Services and Refuse Collection:** **SBBC** shall be responsible for custodial services within the leased premises and the removal of trash.

2.18 **Insurance.** **SBBC** shall maintain in full force and effect during the Term public liability and property damage insurance with respect to injury, death or damage occurring at the Premises or arising out of **SBBC**'s use of the Premises or otherwise arising out of any act or occurrence at the Premises or Center. Said insurance shall be in an amount of at least One Million Dollars (\$1,000,000) combined single limit per occurrence. The policies for the foregoing insurance shall name **LESSOR** and their partners, beneficiaries, trustees, officers, directors, agents and employees and such other parties as **LESSOR** may designate as additional insureds. At least one week prior to the first day of the Term, **SBBC** shall furnish a certificate of insurance evidencing that such insurance is in effect.

2.19 **Rules and Regulations.** **SBBC** agrees to comply with the rules and regulations detailed in Exhibit "B" of the Lease.

2.20 **Exhibits.** The following exhibits are attached to this lease:

Exhibit A "Property"

Exhibit B "Rules and Regulations"

Exhibit C "Operating Expenses"

In the event of conflict between the provisions of the Agreement and the provisions contained herein any attached exhibits, the provisions of the following documents shall take precedence in this order:

1. Lease Agreement & Exhibit A

2. Exhibit B & Exhibit C

2.21 **Notice.** When any of the parties desire to give notice to the other, such notice must be in writing, sent by U.S. Mail, postage prepaid, addressed to the party for whom it is intended at the place last specified; the place for giving notice shall remain such until it is changed by written notice in compliance with the provisions of this paragraph. For the present, the Parties designate the following as the respective places for giving notice:

To **SBBC**: Superintendent of Schools
The School Board of Broward County, Florida
600 Southeast Third Avenue
Fort Lauderdale, Florida 33301

With a copy to: Director, Facility Planning & Real Estate
The School Board of Broward County, Florida
600 SE 3rd Avenue, 8th Floor
Fort Lauderdale, Florida 33301

To **LESSOR**: COPANS 2011, LLC
Christopher A. Richardson
900 Glades Road, Suite 3B
Boca Raton, Florida 33431

2.22 **Indemnification.**

A. By **SBBC**: **SBBC** agrees to be fully responsible for its acts of negligence or its agent's acts of negligence when acting within the scope of their employment and agrees to be liable for any damages resulting from said negligence.

B. By **LESSOR**: **LESSOR** agrees to indemnify, hold harmless and defend **SBBC**, its agents, servants and employees from any and all claims, judgments costs and expenses including, but not limited to, reasonable attorney's fees, reasonable investigative and discovery costs, court costs and all other sums which **SBBC**, its agents, servants and employees may pay or become obligated to pay on account of any, all and every claim or demand, or assertion of liability, or any claim or action founded thereon, arising or alleged to have arisen out of the products, goods or services furnished by **LESSOR**, its agents, servants or employees; the equipment of **LESSOR**, its agents, servants or employees while such equipment is on premises owned or controlled by **LESSOR**; or the negligence of **LESSOR** or the negligence of **LESSOR**'s agents when acting within the scope of their employment, whether such claims, judgments, costs and expenses be for damages, damage to property including **LESSOR**'s property, and injury or death of any person whether employed by **SBBC**, **LESSOR** or otherwise.

2.23 **Place of Payment.** All payments of Rent will be made and paid by **SBBC** to **LESSOR** at the address noted in 2.22, or to such other person or account or at such other

place, as LESSOR may from time to time designate in writing to SBBC. All Rent will be payable in United States currency. Any extension, indulgence or waiver permitted by LESSOR in the time, manner or mode of payment of Rent, upon any one or more occasions, will not be construed as a continuing extension, indulgence or waiver and will not preclude Landlord from demanding strict compliance herewith.

No provision of this Lease should be construed to permit SBBC the right to reduce the amount of any Rents, which are to be paid as and when due. Nothing in this Lease should be construed as a waiver of SBBC's right to bring a separate action for a refund of all or any portion of any such payment(s).

ARTICLE 3 – GENERAL CONDITIONS

3.01 **No Waiver of Sovereign Immunity.** Nothing contained in this Agreement is intended to serve as a waiver of sovereign immunity by any agency to which sovereign immunity may be applicable or as a waiver of any rights or limits to liability provided under Section 768.28, Florida Statutes.

3.02 **No Third Party Beneficiaries.** The parties expressly acknowledge that it is not their intent to create or confer any rights or obligations in or upon any third person or entity under this Agreement. None of the parties intend to directly or substantially benefit a third party by this Agreement. The parties agree that there are no third party beneficiaries to this Agreement and that no third party shall be entitled to assert a claim against any of the parties based upon this Agreement. Nothing herein shall be construed as consent by an agency or political subdivision of the State of Florida to be sued by third parties in any manner arising out of any contract.

3.03 **Non-Discrimination.** The Parties shall not discriminate against any employee or participant in the performance of the duties, responsibilities and obligations under this Agreement because of race, age, religion, color, gender, national origin, marital status, disability or sexual orientation.

3.04 **Termination.** As long as SBBC is not in default of the lease, SBBC shall have the right to terminate this lease by giving LESSOR no less than six (6) months written notice of SBBC intention to do so. LESSOR shall have the option to terminate the options by providing SBBC six months written notice of LESSOR'S desire to do so. In the event LESSOR provides written notice to SBBC, SBBC agrees to vacate the property at the end of the rent period. Failure to do so by SBBC shall be deemed a default and the SBBC shall be responsible to LESSOR for double the amount of the monthly rent and CAM charges until such time as SBBC has vacated the property but in all events a minimum of 30 days rent from the expiration of the lease.

3.05 **Records.** Each Party shall maintain its own respective records and documents associated with this Agreement in accordance with the records retention requirements applicable to public records. Each Party shall be responsible for compliance with any public documents request served upon it pursuant to Section 119.07,

Florida Statutes, and any resultant award of attorney's fees of non-compliance with that law.

3.06 **Entire Agreement.** This document incorporates and includes all prior negotiations, correspondence, conversations, agreements and understandings applicable to the matters contained herein and the Parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements, whether oral or written.

3.07 **Amendments.** No modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document prepared with the same or similar formality as this Agreement and executed by each party hereto.

3.08 **Preparation of Agreement.** The Parties acknowledge that they have sought and obtained whatever competent advice and counsel as was necessary for them to form a full and complete understanding of all rights and obligations herein and that the preparation of this Agreement has been their joint effort. The language agreed to herein expresses their mutual intent and the resulting document shall not, solely as a matter of judicial construction, be construed more severely against one of the parties than the other.

3.09 **Waiver.** The parties agree that each requirement, duty and obligation set forth herein is substantial and important to the formation of this Agreement and, therefore, is a material term hereof. Any party's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision or modification of this Agreement. A waiver of any breach of a provision of this Agreement shall not be deemed a waiver of any subsequent breach and shall not be construed to be a modification of the terms of this Agreement.

3.10 **Compliance with Laws.** Each party shall comply with all applicable federal and state laws, codes, rules and regulations in performing its duties, responsibilities and obligations pursuant to this Agreement.

3.11 **Governing Law.** This Agreement shall be interpreted and construed in accordance with and governed by the laws of the State of Florida. Any controversies or legal problems arising out of this Agreement and any action involving the enforcement or interpretation of any rights hereunder shall be submitted to the jurisdiction of the State courts of the Seventeenth Judicial Circuit of Broward County, Florida.

3.12 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

3.13 **Assignment.** Neither this Agreement nor any interest herein may be assigned, transferred or encumbered by any party without the prior written consent of the other party.

3.14 **Force Majeure.** Neither party shall be obligated to perform any duty, requirement or obligation under this Agreement if such performance is prevented by fire, hurricane, earthquake, explosion, wars, sabotage, accident, flood, acts of God, strikes, or other labor disputes, riot or civil commotions, or by reason of any other matter or condition beyond the control of either party, and which cannot be overcome by reasonable diligence and without unusual expense ("Force Majeure"). In no event shall a lack of funds on the part of either party be deemed Force Majeure.

3.15 **Place of Performance.** All obligations of SBBC under the terms of this Agreement are reasonably susceptible of being performed in Broward County, Florida and shall be payable and performable in Broward County, Florida.

3.16 **Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, unlawful, unenforceable or void in any respect, the invalidity, illegality, unenforceability or unlawful or void nature of that provision shall not affect any other provision and this Agreement shall be considered as if such invalid, illegal, unlawful, unenforceable or void provision had never been included herein.

3.17 **Captions.** The captions, section numbers, article numbers, title and headings appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such articles or sections of this Agreement, nor in any way effect this Agreement and shall not be construed to create a conflict with the provisions of this Agreement.

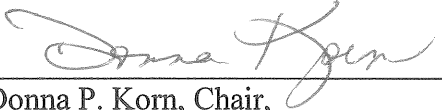
3.18 **Authority.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

IN WITNESS WHEREOF, the Parties hereto have made and executed this Agreement on the date first above written.

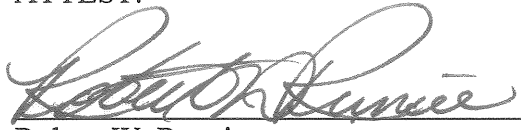
FOR SBBC

(Corporate Seal)

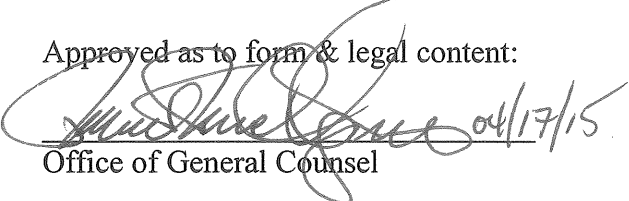
THE SCHOOL BOARD OF BROWARD
COUNTY, FLORIDA

By 
Donna P. Korn, Chair,

ATTEST:


Robert W. Runcie
Superintendent of Schools

Approved as to form & legal content:

 04/17/15
Office of General Counsel

FOR LESSOR

(Corporate Seal)

COPANS 2011, LLC

ATTEST:

By [Signature]
Christopher A. Richardson, Managing Member

_____, Secretary

-or-

Witness [Signature]

Witness [Signature]

The Following Notarization is Required for Every Agreement Without Regard to Whether the Party Chose to Use a Secretary's Attestation or Two (2) Witnesses.

STATE OF Florida

COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 11 day of May, 2015 by Christopher Richardson of
Name of Person

Copans 2011, LLC, on behalf of the corporation/agency.
Name of Corporation or Agency

He/She is personally known to me or produced _____
as identification and did/did not first take an oath. _____
Type of Identification

My Commission Expires: 8/20/16

[Signature]
Signature - Notary Public

Lucas Gallon
Printed Name of Notary

EE 222223
Notary's Commission No.

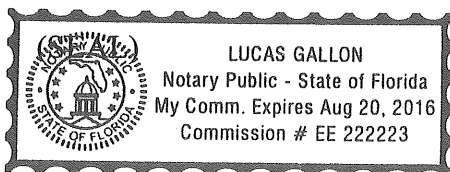
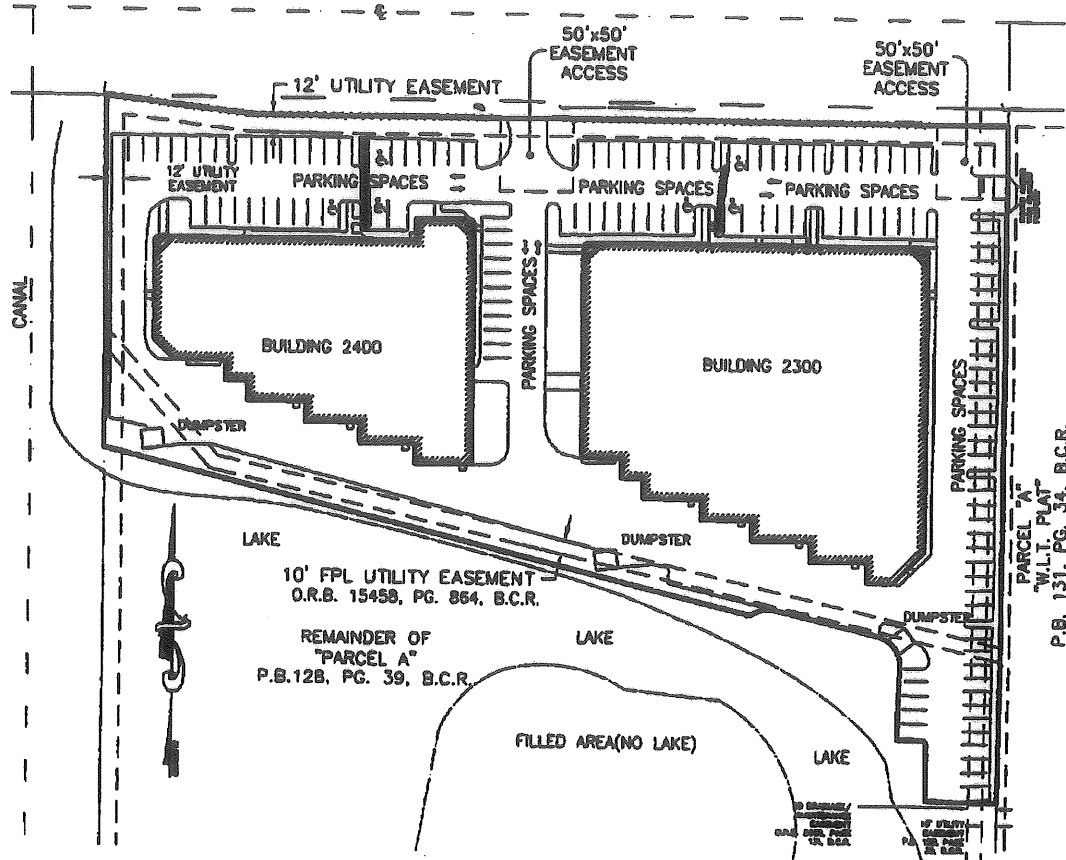


EXHIBIT "A"

EXHIBIT COPANS LAKEVIEW CENTER, A CONDOMINIUM Property COPANS ROAD



LEGEND:

B.C.R. - Broward County Records
P.B. - Plat Book
PG. - Page
N.T.S. - Not to scale

"COPANS LAKEVIEW CENTER"

PORTION OF PARCEL "A"
P.B. 128, PG. 39, B.C.R., SECTION 28,
TOWNSHIP 48 SOUTH, RANGE 42 EAST
CITY OF POMPANO BEACH,
BROWARD COUNTY, FLORIDA

KEITH
consulting engineers
301 EAST ATLANTIC BOULEVARD
POMPANO BEACH, FLORIDA 33060-6643
(954) 788-3400 FAX (954) 788-3500
EMAIL: me@keith-engineers.com LB NO. 6880

SHEET 3 OF 20
DRAWING NO. 06022L

DATE 07/10/06

SCALE 1"=100'

FIELD BK. N/A

DWG. BY AS

CHK. BY GM

DATE REVISIONS

DATE	REVISIONS

EXHIBIT "B"

Rules and Regulations

1. No sign, placard, picture, advertisement, name or notice will be inscribed, displayed, printed, or affixed on or to any part of the outside of the building without the Consent of Landlord, which consent will be uniform and non-arbitrarily applied against all occupants. Landlord will have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of tenant.

2. Tenants are not permitted to obstruct the sidewalks, halls, passages, exits, entrances, stairways use them for any purpose other than for ingress and egress from their respective premises.

3. Tenant will not alter any lock or install any new or additional locks without giving Landlord keys therefore, except tenant's vault, or install any bolts on any doors or windows of the premises that would deny access to fire fighters.

4. The toilet rooms, urinals, wash bowls and other apparatus not to be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever will be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule will be borne by Tenant who, or whose, employees or invitees will have caused it.

5. Tenant will not overload the floor of the premises or any way defaces the premises or any part thereof.

6. Landlord will have the right to prescribe the weight, size and position of all heavy equipment brought into the building and also the times and manner of moving the same in and out of the building. Said heavy objects will, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such objects or property from any cause except its negligent willful acts or omissions and all damage caused by tenant to the building by moving or maintaining any such object or other property will be repaired at Tenant's expense.

7. Tenant will not use, keep or permit to be used or kept any foul or noxious gas or substance in the premises, or permit or suffer the premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein, nor will any animals or birds be brought in or kept in or about the premises or the building.

8. No cooking will be done or permitted by tenant on the premises, nor will the premises be used for the storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.

9. Tenant will not use or keep in the premises or the building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by Landlord.

10. No boring or cutting for telephone, telegraph or computer terminal wires will be allowed without the reasonable consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the premises will be subject to the reasonable approval of Landlord.

11. In case of invasion, mob, riot, public excitement or other commotion, Landlord reserves the right to prevent access to the building during the continuance of the same by closing of the doors or otherwise, for the safety of tenants and protection of property in the building and the building itself.

12. Landlord reserves the right to exclude or expel from the building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who will in any manner do any act in violation of any of the rules and regulations of the building.

13. No vending machines or machines of any description will be installed, maintained or operated upon the premises without the Consent is herein granted tenant within tenant's demised for the exclusive use of tenant's employees and business invitees.

14. Landlord will have the right to change the street address of the building, which the premises are a part upon giving a reasonable notice.

15. Tenant will not disturb, solicit or canvass any occupant of the building and will cooperate to prevent it.

16. Without Consent of Landlord, tenant will not use the name of the building in connection with or in promoting or advertising Tenant's business, except as part of tenant's address.

17. All entrance doors in the premises will be left locked when the premises are not in use, and all doors opening to public corridors will be kept closed except for normal ingress and egress from the premises.

18. Landlord will furnish parking facilities near the building for use by tenants, and their respective employees, agents, guests, or invitees, but Landlord does not guarantee the availability of parking spaces. The driveways, entrances and exits upon, into and from such parking areas will not be obstructed by tenant, tenant's employees, agents, guests, or invitees provided however Landlord will not be responsible or liable for failure of any person to observe this rule. Tenant and its employees will not park in spaces designated for visitor parking.

19. Landlord reserves the right to make such other and further rules and regulations as in its reasonable judgment may, from time to time, be needed for the proper operations and cleanliness of the premises and for the preservation of good order therein.

EXHIBIT "C"

Operating Expenses

A. "Operating Expenses" will mean expenses relating to the operation and maintenance of the Building and the Property, and all amenities and appurtenances relating thereto as further defined by the Building Owners and Managers Association (hereinafter referred to as "BOMA"), and will include, without limitation, the following:

- i. LESSOR's paid or accrued wages and salaries of all persons directly engaged in the maintenance and operation of the Building and Property;
- ii. social security taxes and all other taxes that may be levied against LESSOR, for wages and salaries described in Section 2.11 Page 2 of the Declaration of Condominium, but not income or net profits taxes of any kind except as permitted in item Section 2.11 Page 2 of the Declaration of Condominium;
- iii. medical, pension, general and other fringe benefits for all employees described in Section 2.11 Page 2 of the Declaration of Condominium;
- iv. administrative expenses and charges, to the extent not described in Section 32.11 Page 2 of the Declaration of Condominium;
- v. insurance premiums;
- vi. stand-by sprinkler charges, water charges and sewer charges;
- vii. electricity and fuel used in the heating, ventilation, air-conditioning, lighting and all other operations of the Building and Property;
- viii. trash removal and recycling expenses;
- ix. third party management fees incurred in the operation of Building and Property to the extent not included in Section 2.11 Page 2 of the Declaration of Condominium;
- x. window cleaning, common area janitorial services and related equipment and supplies;
- xi. third-party management fees incurred in the operation of the Building and Property;
- xii. cleaning, maintenance and repair of common areas of the Building and Property [, including replacement of light bulb and maintenance and repair of water fountains (if any)];
- xiii. maintenance and service contracts;
- xiv. tools, equipment and supplies necessary for the performance of repairs and maintenance (which are not required to be capitalized for federal income tax purposes);
- xv. maintenance and repair of all mechanical, electrical and intra-building network

cabling equipment in the Building or upon the Property;

xvi. cleaning, maintenance and repair of restrooms, lobbies, hallways and other Common Areas of the Building and Property;

xvii. cleaning, maintenance and repair of pavement, curbs, walkways, lighting facilities, landscaping, driveways, parking areas and drainage areas upon and adjacent to the Building and Property;

xviii. personal property taxes assessed against LESSOR's property located or used in connection with the operation of the Building and Property;

xix. Real estate taxes assessed against the Building and the Property. The term "real estate taxes" will mean any tax or assessment levied, assessed or imposed at any time by any governmental authority upon or against the Building or Property or any part thereof, any tax or assessment levied, or any franchise, income, profit or other tax or governmental imposition levied, assessed or imposed against or upon LESSOR in substitution in whole or in part for any tax or assessment against or upon the Building and the Property or any part thereof;

xx. all other reasonable costs and expenses that would be considered as an expense of cleaning, maintaining, operating or repairing the Building and Property, including, without limitation, any expense associated with administering, managing and providing a government mandated transportation demand management program.

xxi. Tenant acknowledges that Landlord has advised it that some or all of the Common Area Maintenance may be supplied or provided by Landlord, one of its divisions or affiliates or other designees. LESSOR may supply or provide Common Area Maintenance provided that the prices it charges are comparable to the prices charged by other contractors for similar services or supplies.

B. Notwithstanding anything to the contrary in Exhibit C Paragraph A – xxi, above, LESSOR shall exclude the following from Operating Expenses and/or CAM's:

- i. Any ground lease rental;
- ii. The cost of repairs to the Building, if the cost of such repairs is reimbursed by the insurance carried by Landlord;
- iii. Costs, including permit, license and inspection costs, incurred with respect to the installation of Tenant's or other occupants improvements made for Tenant's or other occupants in the Building or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for Tenant or other occupants of the Building;

Depreciation, amortization and interest payments, except as specifically permitted

- i. herein and except on materials, tools, supplies and vendor-type equipment purchased by LESSOR to enable LESSOR to supply services LESSOR might otherwise contract for with a third party where such depreciation, amortization and interest payments would otherwise have been included in the charge for such third party's services, all as determined in accordance with generally accepted accounting principles, consistently applied and when depreciation or amortization is permitted or required, the item shall be amortized over its reasonably anticipated useful life;
- ii. Marketing costs including leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Building;
- iii. Expenses in connection with services or other benefits which are provided to another tenant or occupant of the Building which are not offered to Tenant or for which Tenant is charged for directly;
- iv. Costs incurred by LESSOR due to the violation by LESSOR or any tenant of the terms and conditions of any lease of space in the Building;
- v. Overhead and profit increment paid to LESSOR or to subsidiaries or affiliates of LESSOR for goods and/or services in the Building to the extent the same exceeds the costs of such goods and/services rendered by unaffiliated third parties on a competitive basis;
- vi. Interest, principal, points and fees on debts or amortization on any mortgage or mortgages or any other debt instrument encumbering the Building or the land there under;
- vii. Costs associated with the operation of the business of the partnership or entity which constitutes LESSOR, as the same are distinguished from the costs of operation of the Building, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee (except as the actions of Tenant may be in issue), costs of selling, syndicating, financing, mortgaging or hypothecating any of LESSOR's interest in the Building, cost (including attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration's pertaining to LESSOR and/or the Building;
- viii. Advertising and promotional expenditures, and costs of signs in or on the Building identifying the owner of the Building or other tenants' signs;

- ix. Electric power costs for which any tenant directly contracts with the local public service company, or for which Landlord has been directly reimbursed by a tenant in the Building;
- x. Tax penalties and interest incurred as a result of LESSOR's negligence, inability or unwillingness to make payments and/or to file any income tax or informational returns when due, unless same is due to Tenant's non-payment of rent;
- xi. Costs arising from LESSOR's charitable or political contributions;
- xii. Costs for sculpture, paintings or other objects of art;
- xiii. Costs (including in connection therewith all attorneys' fees and costs of settlement judgments and payments in lieu thereof) arising from claims, disputes or potential disputes in connection with potential or actual claims litigation or arbitration's pertaining to Landlord and/or the Building;
- xiv. Costs of repairs due to a casualty loss which exceed the 85% limit for replacement;
- xv. Any expense that is for a capital improvement (other than as set forth in item xiii above) or which would be deemed a capital expense under generally accepted accounting principles;
- xvi. Any expense relating to any environmental problem at the Real Property not caused by SBBC.