

**PORT OF PALM BEACH DISTRICT
REQUEST FOR DISCUSSION AND
COMMISSION ACTION**

**NEW BUSINESS
ITEM I-3**

March 7, 2018

PREPARED BY: Jarra Kaczvara Senior Director, Business Development & Communications

SUBJECT: **Approval of 2018 Amended & Restated Lease
Maritime Office Complex – Tropical Shipping**

BACKGROUND INFORMATION: Please see Tropical Shipping's Maritime Office Lease Terms:

Current Lease includes:

- 1,650 sq ft on the 2nd floor; 2,605 sq ft on the 4th floor
- \$20.30/sq ft - Annual Rent: \$100,919

New Amended Lease includes:

- Effective April 1, 2018
- 5th floor totaling 9,448 sq ft
- \$19.50/sq ft - Annual Rent: \$184,236
- Reset a new 5-year term with one 5-year renewal option
- Port will provide the 1st month free rent in lieu of a rent credit for Tropical Shipping's contractor providing the painting of the floor
- Port will have the carpet professionally cleaned
- Port will replace the kitchen flooring within the first 6 months of the lease
- Port provided Tropical Shipping early access to the 5th floor for tenant improvements

Rent increase of \$48,172 vs. \$83,317 is due to the fact Tropical Shipping was planning to keep their 2nd floor lease space and also lease the new space recently built-out on the 4th floor. When the 5th floor was released by CBP/GSA, and came available, Tropical Shipping then elected to consolidate on 5th floor.

ADDITIONAL INFORMATION ATTACHED: No _____ Yes X

FINANCIAL IMPACT: \$186,381 annually / Increase of \$50,316 annually

RECOMMENDATION: Port Staff respectfully requests the Board of Commissioners approval of the 2018 Amended & Restated Maritime Office Complex Lease for Tropical Shipping and approve execution by the Executive Director.

Respectfully Submitted By:



Manuel Almira, Executive Director

DATE ACTION TAKEN: _____
Approved: _____ Motion By: _____
Disapproved: _____ Seconded By: _____
Deferred To: _____ Unanimous: Yes _____ No _____
Incorporated into Minutes: _____ By: _____

2018 Amended and Restated
LEASE
(Maritime Office Complex)

THIS 2018 Amended and Restated Lease is entered into as of March ____, 2018, by and between **Port of Palm Beach District**, a special taxing district of the State of Florida, hereinafter called the "Lessor," having an address of 1 East 11th Street, Riviera Beach, Florida 33404 and a fax number of (561-842-4240), and Birdsall, Inc., a Florida corporation hereinafter called the "Lessee", having an address of One East 11th Street, #400, Riviera Beach, FL 33404.

WHEREAS, Lessor and Lessee entered into that certain Lease dated September 15, 2016, for certain office space in the Maritime Office Complex (hereinafter, together with any and all amendments thereto, called the "Lease"), and

WHEREAS, the Lessor and Lessee desire to amend and modify the Lease, as provided herein.

WITNESSETH: That for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the said Lessor does lease unto said Lessee, and said Lessee does hereby hire and take as Lessee the demised premises described in Paragraph A below ("Premises"), to be used and occupied by the Lessee only for use as office space in connection with providing service to the maritime industry, and for no other purposes or uses whatsoever, upon the following terms:

A. PREMISES. The Lease initially provided for 4,255 square feet of office space, consisting of 2,605 square feet on the fourth floor ("Initial Fourth Floor Space") and 1,650 square feet on the 2nd floor ("Second Floor Space"). Further, the Lease provided for possible addition of 2,133 square feet of office space on the fourth floor of the Building ("Fourth Floor Buildout"), which would have resulted in surrender of the Second Floor Space. Lessor and Lessee have agreed that, notwithstanding the foregoing, as of April 1, 2018, Lessee shall begin to lease the area shown on attached Exhibit A ("Fifth Floor"), which shall constitute the "Premises" for all purposes, and shall vacate and release all other space in the Maritime Office Complex, and all rights to add additional space therein. Lessee accepts the Fifth Floor in its "as-is" condition. Lessee shall remove any personal property from the Fifth Floor prior to making its improvements, however, Lessor shall have the right to retain for itself, such personal property upon written notice to Lessee. The premises being surrendered shall be left broom clean, reasonable wear and tear excepted, with, at the option of the Lessor expressed in writing prior to thirty days following the last day of occupancy by Lessee (with this sentence of the Lease to survive termination), all of Lessee's wiring removed, at Lessee's sole cost.

B. EARLY ACCESS. Lessee shall have access to the Fifth Floor prior to April 1, 2018, for its tenant improvements ("Tenant Improvements"), all of which shall be at its own expense. All such improvements shall be subject to Section 21 of the Lease, shall be the property of Lessor but maintained by Lessee during the term of the Lease. *Provided that Lessor permits this early access after Lessee executes this Lease, but before Lessor's Board of Commissioners has approved this Lease, Lessee agrees, by executing this Lease, and in consideration of Lessor granting such early access without a fully executed Lease, that Lessee shall be fully responsible*

for all matters with respect to the Fifth Floor fully as though this Lease was in force with respect to the Fifth Floor, including without limitation, all indemnity and insuring obligations. Further, Lessor shall not be responsible for compensating Lessee for any improvements made to the Fifth Floor, and all such improvements shall be lien-free. _____: Initials of Lessee’s signing representative, acknowledging and agreeing to the foregoing italicized and independent covenant.

C. EXTENSION: The term of the Lease shall be extended for five years commencing April 1, 2018. Rent and other charges shall be adjusted and pro-rated as of April 1, 2018, using the Rent Table in E, below.

D. TERMINATION DATE: The termination date of this Lease shall be five years from April 1, 2018, at midnight, unless renewed as provided in F, below, all subject to earlier termination, at the sole option of Lessor, in the event of termination of that certain Amended Lease and Terminal Agreement dated May 23, 2002 (“ALTA”) by and between Lessor (identified as “District” in the ALTA) and Lessee (identified as “Corporation” in the ALTA), as the ALTA has been amended through the date hereof (the most recent amendment being the “2017 Amendment to ALTA” dated April 20th, 2017) and as the ALTA may be hereafter amended,

E. ANNUAL RENT: Commencing April 1, 2018, Rent shall be calculated using the following Rent Table (until March 31, 2018, the Rent Table from the September 15, 2016 Lease shall be applicable):

RENT TABLE	
YEAR	AMOUNT Per Square Foot
1	\$19.50
2	\$19.79
3	\$20.09
4	\$20.39
5	\$20.70

Based upon the Rent Table, Rent shall initially be One Hundred Eighty-Four Thousand, Two Hundred Thirty-Six Dollars (\$184,236.00), annually, payable monthly, in advance, on the first day of each month beginning with the Commencement Date, at the offices of Lessor.

Rent and all other amounts payable by Lessee hereunder shall bear sales tax to be paid by Lessee. All other charges shall be in accordance with the then current Tariff of the Port of Palm Beach District.

The first months rent will be waived in lieu of rent credit for Lessee having the lease space painted.

F. RENEWALS: Lessee shall have one (1) option to extend the term of this Lease for an additional five (5) year term. The Lessee may exercise such option by giving written notice to the Lessor at least one hundred eighty (180) days prior to the end of the Lease, provided, however, that the right to exercise such option to renew shall be contingent upon Lessee being in material compliance with all provisions of this Lease, and further, the renewal shall not be effective unless Lessor and Lessee shall have, on or before ninety (90) days from the end of the initial term, mutually agreed on new rental rates per square foot for each of the ensuing five years, with the rate for each successive year being not less than the rate in the year which it succeeds.

G. PRO RATA SHARE: As used herein, the term Pro Rata Share shall mean a fraction, the numerator of which is the square footage of the Premises and the denominator of which is 41,411.

H. PARKING: Except as set forth herein, there shall be no reserved or exclusive parking. Lessee's employees and invitees shall park in such areas as are designated, from time to time, by Lessor. Lessee shall have the right to have use of 26 parking spaces at no cost, at locations designated, from time to time, by Lessor, and an additional 28 such spaces upon a reasonable showing of need by Lessee. These spaces shall be made available to the Lessee for standard passenger vehicles (including SUV's) only. In addition, Lessor shall make available to Lessee 4 parking spaces within the terminal area for Lessee's use moving to and from the terminal area. Parking spaces shall not be considered a part of the Premises. Lessee shall not have the right to have vehicles towed, tagged, booted or to otherwise enforce parking restrictions. If there is a violation of the parking rules, upon notice to Lessor, Lessor's obligation shall be limited to placing notices on violator vehicles and/or confronting violators with Port Security. Lessee shall provide the license plate numbers and a description of any vehicles entitled to park in reserved spaces.

I. UTILITIES: Rent includes only water and electricity; provided, that if and when electricity is separately metered, Lessee shall pay electricity.

J. SOLID WASTE AUTHORITY CHARGES: Lessee shall pay its Pro Rata Share (excluding the cruise facilities) of solid waste authority charges applicable to the building of which the Premises are a part. In calculating solid waste authority charges applicable to the building, the Lessor shall first make a reasonable allocation of such bill between the cruise facilities and the office space (which shall include the common area of the office side of the building).

K. CASUALTY INSURANCE: Lessee shall pay its Pro Rata Share (excluding the cruise facilities) of casualty insurance applicable to the building of which the Premises are a part. In calculating the cost of casualty insurance applicable to the building, the Lessor shall first make a reasonable allocation of such bill between the cruise facilities and the office space (which shall include the common area of the office side of the building). Lessee shall make monthly estimated payments of the insurance to Lessor, with each monthly amount being one twelfth (1/12) of the total of such insurance for the year (adjusted to conform to the policy year when actual figures are known, with any shortfall or overage being paid or credited as the case may be, in the month when actual figures are known) and being paid at the same time, and in the same manner as Rent, with the same rights in Lessor as to default and collection, which amounts shall not be escrowed, held in a separate account or placed at interest.

L. SECURITY: Lessee acknowledges that the building of which the Premises are a part are subject to security rules and regulations, as established from time to time by Lessor, and other governmental agencies, and acknowledges that access to the Premises is subject to such security measures as Lessor shall determine.

M. JANITORIAL: Lessee shall provide full janitorial service to the Premises not less than weekly, shall maintain the Premises in a clean condition, at Lessee's expense. Lessee shall have the non-exclusive use of the public restrooms located in the building of which the Premises are a part. Persons and entities providing janitorial service to the Premises are subject to security requirements, which shall or may include background checks and badging.

N. REAL ESTATE TAXES:

(a) Payment Related to Taxes. In addition to the Rent and other charges payable under this Lease, Lessee shall pay to Lessor, monthly in advance, a Payment Related to Taxes. The Payment Related to Taxes shall be 1/12th of the Allocable Amount (as defined below), as determined by the Lessor (pro rated for periods of less than a month).

In an instance where the term of the lease encompasses an entire calendar year of the lease, the Allocable Amount for that year shall be the ad valorem taxes actually due or to be due for that year (actual or estimated (by Lessor), and if estimated, adjusted when the actual taxes are known), and pro rated for the period of Lessee's occupancy during that year. In an instance where the lease commences in a year where ad valorem taxes are not being assessed by governmental authorities having jurisdiction, the Allocable Amount for that year shall be an estimate of what the ad valorem taxes would be for that year had ad valorem taxes been assessed for that year, and pro rated for the period of Lessee's occupancy during that year; provided that if the lease is for less than one year and terminates such that it does not extend into a year in which ad valorem taxes are assessed, then, all amounts collected as Payments Related to Taxes shall be refunded to Lessee after offset for any amounts due Lessor from Lessee.

Lessor shall notify Lessee of the actual amount of taxes for the current year at least fifteen days prior to the last date on which the maximum discount can be obtained ("Maximum Discount Date"), and advise Lessee of the balance due, and said balance due shall be paid within five days. Provided that Lessee shall pay any balance due at least ten days prior to the Maximum Discount Date, Lessor shall pay the taxes on or before the Maximum Discount Date.

(b) Right to Contest Assessment. Lessor shall provide a copy of the Notice of Proposed Taxes to Lessee at least fifteen (15) days before expiration of the period during which such tax bill can be contested. Lessee shall have the right to contest or review by legal proceedings or in such manner as Lessee, in its option, shall deem advisable (which proceedings or other steps taken by Lessee if instituted shall be conducted diligently at its own expense and free of any expense to Lessor) any and all taxes or assessments levied, assessed, or imposed against the Demised Premises, required to be paid by Lessee, provided that the full amount of the taxes shall first be paid over to Lessor, and that such contest shall not result in a tax sale of the Building, or any portion thereof, or the issuance of any tax certificate or warrant. However, if Lessee desires to challenge an assessment, it must notify Lessor of said desire a minimum of five (5) days prior to the expiration of the time period in which the contest of assessment can be filed, and prior to payment of the taxes by Lessor and Lessee. At the request of Lessee, Lessor will cooperate with Lessee

and make available to Lessee upon demand any and all information which Lessee may reasonably require, join in any such contest or proceeding and execute any documents or pleadings that are reasonably required, including any agreement in settlement of any such contest or proceeding if it is necessary to do so to prosecute such proceeding, but Lessee in those circumstances shall pay, as incurred, any direct, out of pocket costs and expenses incurred by Lessee in connection therewith, and Lessor shall have the right, as a condition of consenting to a settlement or judgment which imposes any monetary obligation on Lessor, to require that security satisfactory to Lessor be deposited with Lessor to protect against such monetary obligations. In any event, no such contest shall defer or suspend Lessee' obligations to pay the taxes or assessments as herein provided; but if Lessee is required by law to first pay the taxes or assessments and then seek a refund from the taxing authority, Lessee shall do so. Nothing in these provisions shall be in derogation of Lessor's right to contest or review any taxes or assessments by legal proceedings or in such other manner as may be available to Lessor.

The following express stipulations and conditions are made a part of this Lease and are hereby agreed to by the Lessee:

Section 1. Assignment. The Lessee shall not assign this lease, nor sublet the Premises, or any part thereof nor use the same, or any part thereof, or any rights hereunder, nor permit the same, or any part thereof, to be used for any other purpose than as above stipulated, nor make any alterations therein or additions thereto, without the written consent of the Lessor, and all additions, fixtures or improvements which may be made by Lessee, except movable office furniture, shall become the property of the Lessor and remain upon the Premises as a part thereof, and be surrendered with the Premises at the termination of this Lease.

Section 2. Liability for Damage to Lessee's Property. All personal property placed or moved in the Premises shall be at the risk of the Lessee or owner thereof, and Lessor shall not be liable for any damage to said personal property, or to the Lessee arising from the bursting or leaking of water pipes, or from any act of negligence of any cotenant or occupants of the building or of any other person whomsoever.

Section 3. Compliance With Law. Lessee shall comply with all statutes, ordinances, rules, orders, regulations and requirements of the Florida Department of Law Enforcement, the United States Coast Guard, Port of Palm Beach and all other federal, state and city government and of any and all their departments and bureaus having jurisdiction over the building of which the Premises are a part.

Section 4. Casualty. In the event the Premises shall be destroyed or so damaged or injured by fire or other casualty during the term of this Lease, whereby the same shall be rendered untenable, then the Lessor shall have the right to render said Premises tenable by repairs within ninety (90) days from the date of the casualty ("Repair Period"). If said Premises are not rendered tenable within said time, either party may cancel this Lease, provided that notice of such cancellation is given in writing and within ten days following the end of the Repair Period.

Rent and other amounts owed by Lessee under this Lease shall not be owed for any time period that the Premises are untenable.

Section 5. Landlord's Lien. The said Lessee hereby pledges and assigns to the Lessor all the furniture, fixtures, goods and chattels of said Lessee, which shall or may be brought or put on said Premises as security for the payment of the amounts due hereunder, and the Lessee agrees that the said lien may be enforced by distress foreclosure or otherwise at the election of the said Lessor, and does hereby agree to pay Lessor's reasonable attorney's fees incurred, together with all costs and charges therefore incurred or paid by the Lessor.

Section 6. Entry Upon Premises. The Lessor, or any of his agents, shall have the right to enter said Premises during all reasonable hours and upon reasonable notice to Lessee to examine the same to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort, or preservation thereof, or of said building, or to exhibit said Premises to potential lessees at any time within ninety (90) days before the expiration of this Lease. The right of entry shall likewise exist for the purpose of removing placards, signs, fixtures, alterations, or additions, which do not conform to this Lease, or to the rules and regulations of the building.

Section 7. ACCEPTANCE OF PREMISES. Lessee hereby accepts the Premises in the condition they are in at the beginning of this Lease and agrees to maintain said Premises in the same condition, order and repair as they are at the commencement of said term, excepting only reasonable wear and tear arising from the use thereof under this Lease, and to make good to said Lessor immediately upon demand, any damage to said Premises, or of the building, caused by any act or neglect of Lessee, or of any person or persons in the employ or under the control of the Lessee. Any and all improvements to the Premises shall be Lessee's sole responsibility other than the following: Port will be responsible for a) ensuring the carpet is professionally cleaned prior to Lessee move-in; and b) new flooring in the kitchen area within six-months of Lessee move-in.

Section 8. Landlord Liability for Damage by Water. It is expressly agreed and understood by and between the parties to this Lease, that the landlord shall not be liable for any damage or injury by water, which may be sustained by the Lessee or other person or for any other damage or injury resulting from the carelessness, negligence, or improper conduct on the part of any other tenant, agents, or employees, or by reason of the breakage, leakage, or obstruction of the water, sewer or soil pipes, or other leakage in or about the said building.

Section 9. Bankruptcy. If the Lessee shall become insolvent or if bankruptcy proceedings shall be begun by or against the Lessee before the end of the Lease term, the Lessor is hereby irrevocably authorized, at its option, to forthwith cancel this Lease as for a default. Lessor may elect to accept rent from such receiver, trustee, or other judicial officer during the term of their occupancy in their fiduciary capacity without affecting Lessor's rights as contained in this Lease, but no receiver, trustee or other judicial officer shall ever have any right, title or interest in or to the above-described property by virtue of this Lease.

Section 10. Charges for Other Services Collectible as Rent. It is further understood and agreed between the parties hereto that any charges against the Lessee by the Lessor for services or

for work done on the Premises by order of the Lessee, or otherwise accruing under this Lease, shall be considered as rent due and shall be included in any lien for rent due and unpaid.

Section 11. Sales Tax. Lessee covenants and agrees to pay monthly as additional rent any sales or use tax, hereinafter imposed upon rents by the United States of America, the State of Florida, and any political subdivision thereof to Lessor, notwithstanding the fact that any statute, ordinance or enactment imposing the same may endeavor to impose the tax on the Lessor.

Section 12. Repairs and Maintenance. Lessor shall be responsible for replacing all air conditioning filters, maintaining electrical fixtures and all plumbing fixtures on the Premises. Lessee shall be responsible for changing light bulbs within the Premises and correcting all stoppages of plumbing within or originating from the Premises. During the Lease term, Lessor shall maintain and repair all major mechanical systems (such as HVAC, electrical, and plumbing), windows, roof structures and other structural portions of the Premises, and Lessor shall maintain the exterior of the Premises and the common areas in good condition. Lessee acknowledges that the building does not have a heating system.

Section 13. Late Payment Charge. If Lessee shall fail to pay the monthly installment of Rent or any additional payment as required herein to Lessor, so that Lessor shall not receive same within five (5) days of the date when the amount is due and payable, a late charge of five percent (5%) of the total amount past due, or a minimum of One Hundred and no/100 Dollars (\$100.00), whichever is greater, shall be paid by the Lessee to the Lessor per month, or portion of each month such item(s) is unpaid and still due. In addition to the aforesaid late charge, the Lessee shall pay interest at the rate of eighteen percent (18%) commencing five (5) days after the amount past due was payable by the terms hereof until the date Lessor received payment of same. These charges are for the purpose of collection efforts and to defray costs incurred by Lessor in regard to such collection efforts.

Section 14. Default.

a. Monetary Defaults. If Lessee shall fail to make any payment due hereunder within ten (10) days after written notice from the Lessor (with rent invoice constituting such notice), Lessor in any such event(s) shall have the option to terminate this Agreement, and/or pursue such other remedies as are provided by law or otherwise herein, which shall include, but not be limited to, recovery of all remaining Rent due or to become due and all other amounts due or to become due under this Agreement. Billing by the Lessor shall constitute written notice hereunder.

b. Non-Monetary Defaults. In the event Lessee shall (a) be adjudged bankrupt; or (b) make an assignment for the benefit of its creditors; or (c) violate or fail to perform any of the agreements herein contained, except as set forth under "Monetary Defaults", above, or (d) if the Lessee shall, for a period of more than six months abandon or vacate the Premises before the end of the term of this Lease (failure to exercise this right to call a default by Lessor shall not constitute a waiver to claim default at a later time, and during any period of abandonment of vacancy, the Lessor may show the premises for let) or (e) fail to comply with reasonable rules and regulations applicable to all tenants (excepting federal employees and federal contractors) with respect to the building of which the Premises are a part, shall (unless notice and or demand are specifically dispensed with under other terms of this Agreement) fail to cure the default as to such agreements

within twenty (20) days after written notice from Lessor, Lessor in any such event(s) shall have the option to terminate this Agreement, and/or pursue such other remedies as are provided by law or equity or otherwise herein, which shall include, but not be limited to, the remedies provided in “Monetary Defaults”, above. Notwithstanding the foregoing, any matter involving safety or security shall be addressed and cured promptly.

c. Other Remedies. The remedies for which provisions are made in this Section shall not be exclusive and shall be in addition to other remedies provided by law or equity, including without limitation, specific performance and injunctive relief, and Lessor may pursue such other remedies as are provided by law or equity in the event of any breach, default, or abandonment by Lessee, including Lessor’s rights to make claim against any financial guaranties provided for herein, e.g. guaranties, bonds and/or letters of credit given in connection with vessel agency or stevedoring. In addition, without limiting the Lessor’s rights to other remedies afforded by Florida law, Lessor shall have all rights available to a landlord under Florida Statutes Chapter 83.

Section 15. Insurance. Lessee shall obtain public liability insurance from an insurance carrier satisfactory to Lessor to protect against loss from liability imposed by law for all damages on account of bodily injury, including death resulting therefrom, suffered or alleged to be suffered by any person or persons whatsoever, resulting directly or indirectly from any act or activities of Lessee, or any person acting for it or under its control or direction, at the Premises, the building of which the Premises are a part, or any property of Lessor, and also to protect against loss from liability imposed by law for damages to any property of any person caused directly or indirectly by or from the acts or activities of any of the foregoing. Such public liability and property damage insurance shall be maintained in full force and effect during the entire term of this Agreement, in the amount of not less than One Million Dollars (\$1,000,000.00) for any property damage or loss from any one (1) accident, and not less than One Million Dollars (\$1,000,000.00) for injury to anyone (1) person and not less than Two Million Dollars (\$2,000,000.00) from any one (1) accident combined, single limit. Lessor reserves the right to require any increase in the amount of liability coverage, from time to time during the term of this Agreement as Lessor should determine to be commercially reasonable. Each such liability insurance policy shall be of the type commonly known as Owner's Landlord's and Tenant's Insurance, but provide the extended coverage required herein above.

Section 16. Insurance Binders. Lessee shall deliver to Lessor a copy of the binder of all insurances required of Lessee hereunder, and duplicate originals of the policy itself, and certificates evidencing the existence of the necessary insurance policies. All insurance policies contemplated herein to be maintained by Lessee shall insure Lessor and Lessee as their respective interests may appear, and shall show Lessor as a named insured. All such policies required to be maintained by Lessee shall be issued by companies qualified to write insurance in the State of Florida and possessing a rating of A-3A (or higher), by Best's Insurance Rating. The cost of premiums of all such policies of insurance as herein required to be maintained by Lessee shall be paid by Lessee. Any policy required hereunder to be maintained by Lessee or actually maintained by Lessee shall contain a clause that the insurer shall not cancel or change the insurance policy without first providing ten (10) days prior written notice to Lessor. Not less than thirty (30) days

prior to the expiration of any insurance required herein to be maintained by Lessee or actually carried by Lessee, Lessee shall deliver to Lessor a copy of the certificate of renewal thereof.

Section 17. Liability of Lessor to Third Parties. Lessor shall not be liable for any damage or injury to any person or property whether it be Lessee's agents, guests, invitees, or otherwise by reason of Lessee's occupancy of the demised Premises or because of fire, flood, windstorm, acts of God or for any other reason, except its own negligence and/or willful and wanton misconduct. Lessee agrees to indemnify and hold harmless Lessor from and against any and all loss, damage, claim, demand, liability, or expense by reason of damage to person(s) which may arise or be claimed to have arisen as a result of the occupancy or use of the Premises by Lessee, or by reason thereof, or in connection therewith, or in any way arising on account of any injury or damage caused to any person or property on or in the Premises, provided, however, the Lessee shall not so indemnify and hold harmless as to the loss or damage due to the negligence or willful misconduct of Lessor, Lessor's employees, agents, guests, or invitees.

Section 18. Recording. This Lease shall not be recorded except by Lessor, in Lessor's sole discretion.

Section 19. Increased Risks. Lessee shall not use the Premises in any manner, even in Lessee's use for which the Premises are leased, that will increase risks covered by insurance on the Premises so as to increase the rate of insurance on the Premises or to cause cancellation of any insurance policy covering the Premises. Lessee further agrees not to keep the Premises or permit to be kept, used or sold or transferred thereon, anything prohibited by the policy of fire insurance covering the Premises. Lessee shall comply, at Lessee's own expense, with all requirements of insurers necessary to keep in force the fire and public liability covering the Premises.

Section 20. Subordination. This Lease and all rights of Lessee are subject and subordinate to the mortgages or other instruments of security which do now or may hereafter cover the Premises or any interest of Lessor therein, and to any and all advances made on the security thereof. This provision is hereby declared self-operative. Lessee agrees to execute any reasonable and accurate subordination agreement required by any lender loaning money to Lessor secured by the Premises. Further, upon request of Lessor, Lessee shall certify the status of this Lease in writing, including in such certification, the term, the annual rental, the amounts of any deposits claimed to have been hereunder, and whether or not Lessee is claiming any then current breaches or defaults by Lessor, and if so, the precise nature of such breaches or defaults.

Section 21. Improvements. All improvements to the Premises by Lessee shall be subject to the prior written consent of the Lessor, and the permitting requirements of the Port of Palm Beach District, and the same shall be at Lessee's sole cost and expense. Lessee shall obtain all other necessary permits from other governmental authorities having jurisdiction prior to commencing any improvements requiring such permits. Lessee agrees that Lessee will pay all liens of contractors, subcontractors, mechanics, laborers, materialmen, and other items of like character, and will indemnify Lessor against all expenses, costs and charges, including bond premiums for release of liens and attorney's fees reasonably incurred in and about the defense of any suit in discharging the said Premises or any part thereof from any liens, judgments or encumbrances caused by Lessee. In the event any such lien shall be made or filed, Lessee shall bond against or discharge the same within fifteen (15) days after the same have been made or filed. It is understood

and agreed between the parties hereto that the expenses, costs and charges above referred to shall be considered as rent due and shall be included in any lien for rent. Lessee shall not have any authority to create any liens for labor or materials on the Lessor's interest in the Leased Premises and all persons contracting with the Lessee for the destruction or removal of any facilities or other improvements or for the erection, installation, alteration or repair of any facilities or other improvements on or about the Leased Premises, and all materialmen, contractors, mechanics and laborers, are hereby charged with notice that they must look only to the Lessee's interest in the Leased Premises to secure the payment of any bill for work done or material furnished at the request or instruction of Lessee. Lessee agrees, at the request of Lessor, to execute a memorandum setting forth the above to be recorded in the public records.

Section 22. Condemnation. It is agreed by and between the parties that if the whole or any part of the Premises shall be taken by any competent authority for any public or quasi-public use or purpose, then and in that event, the term of this Lease shall cease and terminate from the date when the possession of the part so taken shall be required for such use or purpose. All damages awarded for such taking shall belong to, and be the property of, Lessor.

Section 23. Notices. All notices, requests, approvals, consents and other communications hereunder shall be deemed to have been given four (4) days after deposit in the United States mail in a sealed envelope, postage prepaid, registered or certified mail; or if personal delivery, at the time of delivery, or if by national overnight courier one day service addressed to the respective addresses stated below, then such notice, request or other communication shall be deemed to and have been given one (1) business day after being sent by national overnight courier, or if by facsimile, upon completion of transmission as evidenced by successful fax transmission notice, or if by E-Mail, upon transmission, and addressed to the parties at the addresses first set forth herein.

Section 24. Litigation in Palm Beach County. Any litigation commenced in connection with this Lease shall be commenced in Palm Beach County, Florida, and this Lease shall be interpreted pursuant to the laws of the State of Florida.

Section 25. Binding Effect. This contract shall bind the Lessor and his successors or assigns, and the heirs, assigns, personal representatives, or successors as the case may be, of the Lessee.

Section 26. Time of the Essence. It is understood and agreed between the parties hereto that time is of the essence of this Lease, and this applies to all terms and conditions contained herein.

Section 27. Rights Cumulative. The rights of the Lessor under this Lease shall be cumulative, and failure on the part of the Lessor to exercise promptly any rights given hereunder shall not operate to forfeit any of the said rights.

Section 28. Waiver of Certain Statutory Rights. The Lessee specifically waives all of its rights to receive any of written notice from Lessor as afforded to Lessee pursuant to Florida Statutes Sections 83.20 and 83.05.

Section 29. Discrimination. Lessee shall not discriminate against any person, employee,

or applicant for employment, promotion, recruitment, lay-off, compensation, selection for training or apprenticeship because of race, religion, color, age, gender, sexual orientation, sexual preferences or national origin.

Section 30. Signage. Lessee’s signage shall be limited to a sign next to or on the door to the Premises, containing Lessee’s business name. Lessor shall have the right to control the location and style of sign.

Section 31. Termination. Upon termination of the Lease, the Premises shall be surrendered free of all of Lessee’s personal property, and left broom clean, reasonable wear and tear excepted, with, at the option of the Lessor expressed in writing prior to thirty days following the last day of occupancy by Lessee (with this sentence of the Lease to survive termination), all of Lessee’s wiring removed, all at Lessee’s sole cost.

Section 32. Entire Agreement. This Agreement, including its attachments and schedules, if any, constitutes the entire Agreement, supersedes all prior written or oral understandings, and may only be changed by a written amendment executed by both parties.

Section 33. Jury Trial. The parties each waive trial by jury with regard to any matter arising hereunder or in connection herewith, as against each other, regardless of whether any third party to such matter shall have a right to trial by jury.

Section 34. Controlling Law; Venue. In any litigation in connection with this Lease shall lie only in Palm Beach County, Florida, and this Lease shall be interpreted and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals as of the date first above written.

WITNESSES:

DISTRICT:
PORT OF PALM BEACH DISTRICT

Printed Name of Witness:_____

BY_____

Printed Name of Witness:_____

LESSEE:
Birdsall, Inc., a Florida Corporation

Printed Name of Witness:_____

BY_____

Printed Name of Witness:_____

STATE OF FLORIDA]
COUNTY OF PALM BEACH]

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by _____, who is personally known to me or who produced Florida Driver's license as identification, as _____ of PORT OF PALM BEACH DISTRICT, a Political Subdivision of the State of Florida.

[SEAL]

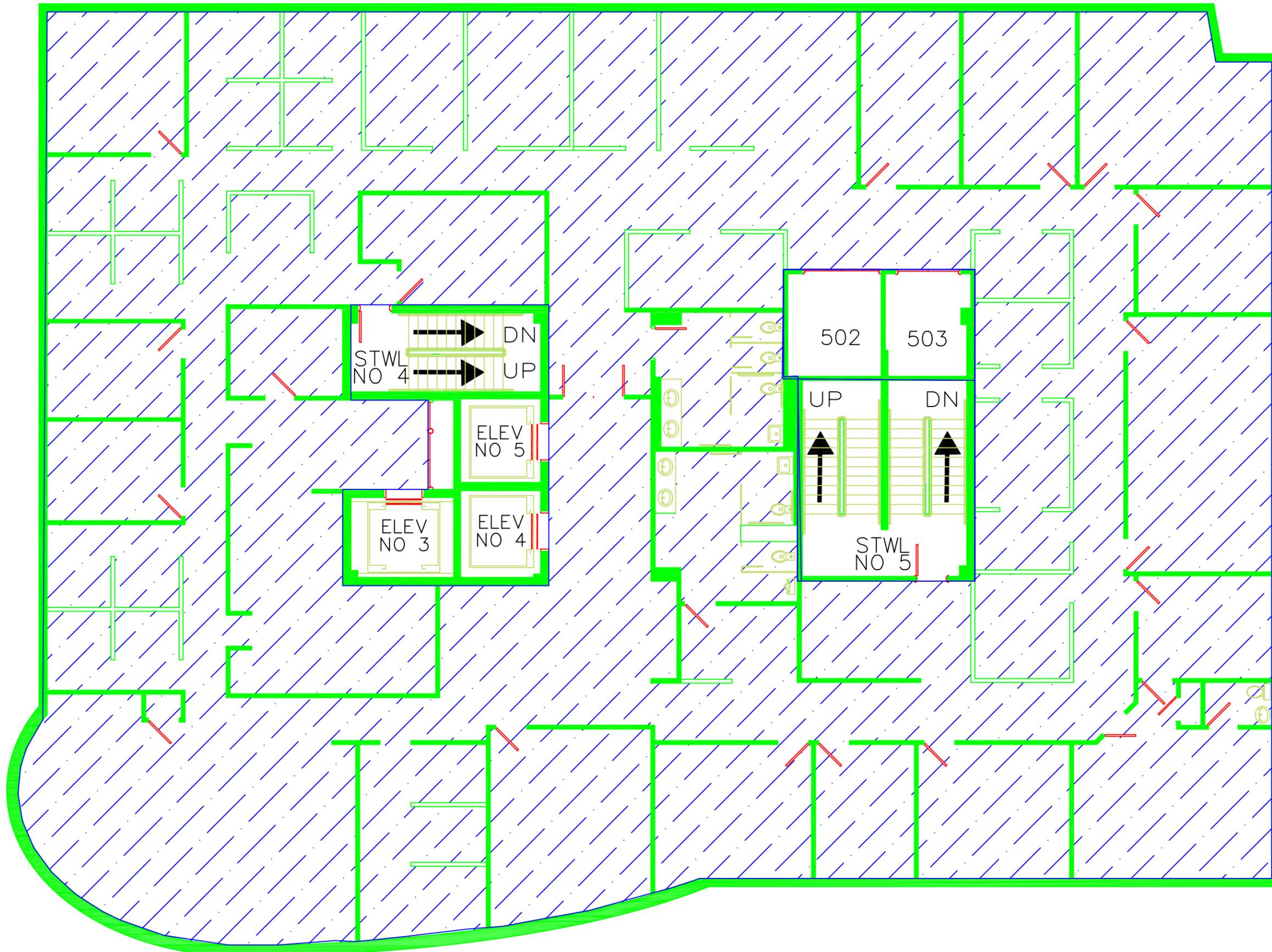
NOTARY PUBLIC
My commission expires:

STATE OF FLORIDA]
COUNTY OF PALM BEACH]

The foregoing instrument was acknowledged before me this ____ day of _____, 2018 by _____, who is personally known to me or who produced Florida Driver's license _____ as identification, as _____ of Birdsall, Inc., a Florida Corporation.

[SEAL]

NOTARY PUBLIC
My commission expires:



TOTAL
10,460 SQ FT

COMMON
1,012 SQ FT

LEASEABLE
9,448 SQ FT