

**SUMMARY OF REQUEST**

**DATE:** 05/25/2022

**FACILITY:** Children's Diagnostic & Treatment Center

**REQUEST:** Approval to Renew the Lease at 1401 South Federal Highway, Fort Lauderdale, Florida with Children's Diagnostic & Treatment Center ("CDTC").


**PURPOSE:** To permit CDTC to continue its operations on the 1401 South Federal Highway property owned by the North Broward Hospital District.

**CAPITAL REQUIRED:** N/A

**FISCAL IMPACT:** N/A

**BUDGET STATUS:** N/A

**LEGAL REVIEW:** The contract is subject to General Counsel's review and approval as to legal form and conditioned on no material changes in the approved business terms.

**APPROVED:**  
Shane Strum, President/CEO  
Shane Strum  
05/13/2022 07:37 EDT

DATE: \_\_\_\_\_

## MEMORANDUM

**TO:** Board of Commissioners

**FROM:** Shane Strum, President/Chief Executive Officer

**DATE:** 05/25/2022

**SUBJECT:** Approval to Renew the Lease at 1401 South Federal Highway, Fort Lauderdale, Florida with CDTC

### **BACKGROUND**

CDTC is a Florida not-for-profit corporation duly organized pursuant to the Florida Not For Profit Corporation Act, § 617.01011, et seq., Florida Statutes, with the purposes of providing medical care, health care, and family care services to children. The North Broward Hospital District is the sole member of CDTC.

Since July 15, 2002, CDTC has leased the District's property located at 1401 South Federal Highway, Fort Lauderdale, Florida (the "Facility"), pursuant to a lease agreement entered into by and between the District and CDTC (the "Lease Agreement"), which is attached hereto as Exhibit B and incorporated herein by reference. The Lease Agreement's initial term was for twenty (20) years and, as such, expires on July 14, 2022. CDTC wishes to exercise its first renewal provision in the Lease Agreement for ten (10) years. On May 4, 2022, the Board of Directors of CDTC authorized CDTC to exercise the renewal option and agreed to amend the Lease Agreement to include a termination for convenience clause in case the District needs to relocate CDTC to another location.

The District now wishes to renew the Lease Agreement with CDTC on the same terms and conditions approved by CDTC's Board of Directors as reflected in Exhibit A, attached hereto and incorporated herein by reference.

### **ACTION/PROJECT DESCRIPTION**

Board approval to Renew the Lease at 1401 South Federal Highway, Fort Lauderdale, Florida with Children's Diagnostic & Treatment Center.

### **FINANCIAL/BUDGETARY IMPACT**

N/A

### **JUSTIFICATION**

Because the extension exceeds the Board's 5-year cap on contracts, and because Section 4 of the District's Charter requires that any sale or lease of such real property held by the District be for such terms as the Board determines is in the best interest of the District, the District is seeking Board approval to move forward with the extension of the Lease Agreement as proposed in Exhibit A.

### **STAFF RECOMMENDATION**

**Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the District to enter into a 10 year extension of its lease with the Children's Diagnostic & Treatment Center, Inc. at 1401 South Federal Highway, Fort Lauderdale, Florida on the terms and conditions outlined in Exhibit A, attached here to and incorporated herein by reference.**

## **Exhibit A**

### **FIRST AMENDMENT TO LEASE AGREEMENT**

THIS FIRST AMENDMENT ("First Amendment") to Lease Agreement (the "Lease"), by and between the **North Broward Hospital District d/b/a Broward Health**, a special taxing district of the State of Florida ("Landlord"), and **Children's Diagnostic & Treatment Center, Inc.** ("Tenant") (together, the Landlord and Tenant are the "Parties"), takes effect July 15, 2022 ("First Amendment Effective Date").

#### **RECITALS**

**WHEREAS**, the Parties entered into that certain Lease Agreement effective as of July 15, 2002 (the "Lease"), for the lease of the one-story 42,200 square foot office building and 88,200 square foot parking garage located at 1401 South Federal Highway, Fort Lauderdale, Florida 33311, as more particularly described in the Lease;

**WHEREAS**, pursuant to the Lease Summary Section and Section 2.3 of the Lease, Tenant was afforded the option of two (2) ten (10) year renewal terms;

**WHEREAS**, the Tenant wishes to exercise the first ten (10) year renewal option and the Landlord agrees to the extension subject to additional modifications as described herein; and

**WHEREAS**, the Parties agree to amend the Lease as set forth herein, and now wish to reduce the terms of their agreement to writing.

**NOW THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

- I. **RECITALS:** The foregoing recitals are true and correct in all respects and are incorporated herein by reference.
- II. **DEFINITIONS:** For purposes of this First Amendment, capitalized terms used but not defined herein have the meanings assigned to them in the Lease.
- III. **AMENDMENTS:** The Lease is hereby amended as follows:

#### **A. Section 2: Term of Lease**

The Parties hereby agree to extend the Lease up to and through July 14, 2032 (the "Renewal Term") on the same terms and conditions as modified by this First Amendment, and subject to earlier termination as provided in this First Amendment and the Lease.

#### **B. Section 4.1: Base Rent**

Section 4 of the Lease is hereby deleted in its entirety and is replaced with the following.

4.1 **Base Rent.** Tenant shall pay to Landlord, without notice,



demand, setoff, or deduction to Landlord (except as expressly provided herein), the monthly base rent of Thirty-Four Thousand Two Hundred Forty-Nine Dollars and Twenty-Two Cents (\$34,249.22) commencing on the start of the first Lease Year of the Renewal Term ("Base Rent"). For purposes of this Lease, the term "Lease Year" shall mean and be defined as that certain twelve month period commencing on the First Amendment Effective Date, and each successive twelve-month period that this Lease is in effect during the Renewal Term. The Base Rent shall be paid to Landlord on or before the 1st day of each month during each Lease Year of the Renewal Term. If the First Amendment Effective Date is other than the first day of a calendar month, the Base Rent for the remaining portion of the calendar month in which the First Amendment Effective Date falls shall be prorated for the first month on the basis of a thirty (30) day month, set off against any overpayment of Base Rent from the last month of the Initial Term, and the balance of the prorated rent for the first month of the Lease Year of the Renewal Term shall be paid on the First Amendment Effective Date. The Base Rent set forth above shall be effective for the first Lease Year of the Renewal Term of this Lease unless Landlord obtains a fair market valuation report conducted by an independent third-party appraisal company ("FMV Report") that determines that the Base Rent is not consistent with the fair market value, in which case the Base Rent shall be adjusted in the first year consistent with the FMV Report and the adjusted amount shall be the Base Rent for purposes of this Lease. Annually, for each successive Lease Year following the first Lease Year, the Base Rent amount paid in the preceding Lease Year shall be subject to a three percent (3%) increase (the "Rental Increase") and such Rental Increase shall be considered the new Base Rent. The determination of the annual Base Rent is at all times subject to the then-current FMV Report obtained by Landlord. After application of the Rental Increase, the Base Rent shall be compared with the FMV Report. The Base Rent may be adjusted up or down as necessary to keep it consistent with the FMV Report and Landlord's policies and procedures, and any adjustments to the Base Rent shall be considered the new Base Rent. All adjustments to the Base Rent, as applicable, shall be communicated between Landlord and Tenant and need not be reflected in a formal written amendment to this Lease.

**C. Section 16.5: Modification by Landlord**

The following shall be added to the Lease as a new Section 16.5.

16.5 Termination for Relocation by Landlord. Tenant understands and agrees that Landlord, at its sole and absolute discretion, may terminate this Lease upon thirty (30) days prior notice to Tenant for the purposes of relocating Tenant to a new facility(ies) and location(s); provided, however, that any new facility and location shall be sufficient to accommodate Tenant's operational needs. To the extent that the Base Rent, as defined in Section 4.1 of this Lease, needs to be increased or decreased based upon Landlord's relocation of Tenant, both Parties shall mutually agree to such modification of the Base Rent.

**IV. COUNTERPARTS:** This First Amendment may be executed in two (2) or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the

same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a .PDF format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or .PDF signature page were an original thereof.

- V. **ELECTRONIC SIGNATURE:** The Parties agree that this First Amendment or any other document necessary for the consummation of the transaction contemplated by the Lease may be accepted, executed, or agreed to through the use of a digital signature in accordance with the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001, et seq.), Florida's Electronic Signature Act of 1996 (§ 668.001, F.S., et seq.), Florida's Uniform Electronic Transactions Act (§ 668.50, F.S.), and any other applicable federal or state law, and any document accepted, executed, or agreed to in conformity with such laws shall be binding and shall have the same effect as handwritten signatures for the purposes of validity, enforceability, and admissibility. Both parties hereby consent to the use of any third-party electronic signature capture service providers as may be chosen by either party in conformance with the foregoing laws.
- VI. **HEADINGS:** Headings herein are for the convenience of reference only and shall not be considered on any interpretation of this First Amendment or the Lease.
- VII. **NO OTHER CHANGES:** Except as modified by this First Amendment, all terms, covenants, obligations and provisions of the Lease shall remain unaltered, shall continue in full force and effect, and are hereby ratified, approved and confirmed by the parties in every respect. If the terms and conditions set forth in this First Amendment directly conflict with any provision contained in the Lease, then this First Amendment shall control.

**IN WITNESS WHEREOF**, we the undersigned, duly authorized representatives have executed and delivered this First Amendment without reservation and having read the terms and conditions contained herein to be effective as of the First Amendment Effective Date.

**NORTH BROWARD HOSPITAL  
DISTRICT D/B/A BROWARD HEALTH**

**CHILDRENS'S DIAGNOSTIC &  
TREATMENT CENTER, INC.**

By: \_\_\_\_\_  
Alexander Fernandez, SVP/Chief Financial Officer

By: \_\_\_\_\_  
Juliette Lippman, Esq., Chairperson

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Exhibit B

### LEASE AGREEMENT

#### **LEASE SUMMARY SECTION:**

##### **LANDLORD'S NAME AND NOTICE ADDRESS:**

North Broward Hospital District  
Attn: Chief Financial Officer  
303 S.E. 17th Street  
Fort Lauderdale, FL 33316  
Telephone: (954) 355-4883  
Facsimile: (954) 355-4966

**with a  
copy to:**

William R. Scherer, Esq.  
Conrad & Scherer, L.L.P.  
633 South Federal Highway, 8th Floor  
Fort Lauderdale, FL 33301  
Telephone: (954) 462-5500  
Facsimile: (954) 463-9244

##### **TENANT'S NAME AND NOTICE ADDRESS:**

Children's Diagnostic & Treatment Center, Inc.  
Attn: Chair, Board of Directors  
1401 South Federal Highway  
Fort Lauderdale, FL 33311  
Telephone: (954) 355-5064  
Facsimile: (954) 355-4966

**DEMISED PREMISES (Section 1):** One-story 42,200 square foot office building and 88,200 square foot parking garage located at 1401 South Federal Highway, Fort Lauderdale, Florida 33311 and legally described as Parcel "One" of CADILLAC Re-Sub, according to the Plat thereof, recorded in Plat Book 61, Page 45, of the public records of Broward County, Florida (the "Demised Premises").

##### **TERM (Section 2):**

Commencement Date: July 15, 2002

Initial Term: Twenty (20) Years

Renewal Term: Two Renewal Terms of Ten (10) years each

##### **BASE RENT (Section 3):**

Monthly Base Rent: \$56,857.08 per month for July 15, 2002 through June 30, 2003  
\$19,758.58 per month for July 1, 2003 through June 30, 2004  
\$19,758.58 per month for July 1, 2004 through June 30, 2005

For the remainder of the Term, the Base Rent will be determined in accordance with Section 4.1 below.

**PERMITTED USE (Section 5):** Medical, Social and Related Services Office

**THIS MEDICAL OFFICE LEASE** ("Lease") is entered into as of July 15, 2002, by and between NORTH BROWARD HOSPITAL DISTRICT, a special tax district of the state of Florida ("Landlord") and CHILDREN'S DIAGNOSTIC & TREATMENT CENTER, INC., a Florida not-for-profit corporation ("Tenant"). The terms and provisions set forth in the attached Lease Summary Section above are incorporated into this Lease as if fully set forth herein.

**SECTION 1. DEMISED PREMISES.** In consideration of the rent hereafter agreed to be paid by Tenant to Landlord and the mutual promises hereinafter provided, Landlord does hereby lease and let unto Tenant, and Tenant does hereby lease from Landlord, those certain premises described in the Lease Summary Section ("Demised Premises") located at 1401 South Federal Highway, Fort Lauderdale, Florida.

**SECTION 2. TERM OF LEASE.**

2.1 **Initial Term.** This Lease will be for the term of twenty (20) years beginning on the Commencement Date set forth in the Lease Summary Section, unless sooner terminated as hereinafter provided ("Initial Term").

2.2 **Commencement Date.** The "Commencement Date" of the Initial Term shall be the date set forth in the Lease Summary Section. Prior to the Commencement Date, Tenant shall pay to Landlord the first month's Base Rent.

2.3 **Option to Renew.** At the expiration of the Initial Term, Tenant can renew this Lease for the renewal term set forth in the Lease Summary Section, provided that Tenant is not then in default under the terms hereof, which remains uncured after any applicable notice and cure period ("Renewal Term"). To exercise its option, Tenant must give written notice of exercise to Landlord at least six (6) months prior to the expiration of the Initial Term or the then-existing Renewal Term. The Initial Term and Renewal Term shall be collectively referred to a "Term."

2.4 **Definition of Lease Year.** The term "lease year" as used herein refers to each twelve (12) month period starting thirty (30) days prior to the "Rent Commencement Date" and each consecutive anniversary of the Commencement Date thereafter.

**SECTION 3. RENEWAL TERM.** In the event Tenant exercises the option to renew in accordance with Section 2, the Base Rent during the first year of any Renewal Term shall be at the then current market rate as determined by Landlord. The Base Rent during the remaining years of any Renewal Term shall be determined in accordance with Subsection 4.1. Except for the Base Rent, all of the terms, provisions, covenants, conditions and obligations of this Lease pertaining to the Initial Term shall automatically apply to any Renewal Term.

**SECTION 4. RENT.** Commencing on the Rent Commencement Date, Tenant covenants and agrees that it will pay rent to Landlord for the use of the Demised Premises without set-off, deduction or demand, except as expressly authorized under the terms of Sections 14 and 15 of this Lease, as follows:

4.1 **Base Rent.** Tenant shall pay, without notice, demand or deduction to Landlord or as Landlord directs, at 303 S.E. 17<sup>th</sup> Street, Fort Lauderdale, Florida 33316, the annual Base Rent for each lease year of the Term as set forth in the Lease Summary Section. The annual Base Rent shall be paid to Landlord in equal monthly installments on or before the 1st day of each month during the first year of the Term. The Base Rent for the first three (3) years of the Term is set forth in the Lease Summary Section. On each subsequent anniversary date of the Commencement Date of this Lease during the Initial Term (years four (4)

though twenty (20)) and the Renewal Term (the last nine (9) years), the Base Rent in effect for the calendar month immediately preceding each anniversary date of the Initial Term and the Renewal Term will be increased annually in proportion to any increase in the Consumer Price Index between the index figure published closest to the date of the beginning of the upcoming year of the term and the index figure published closest to the date of the beginning of the immediately preceding year of the term, not to exceed 3% per year. The Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, U.S. City Average (1982=100) All Items, Bureau of Labor Statistics of the United States Department of Labor. The Base Rent shall never decrease regardless of any negative change in said Index.

4.2 Sale or Use Tax on Rental. Tenant represents that it is tax exempt (State Tax Exempt Certificate No. 85-8012630070C-6). As such, Tenant will not pay Landlord any sales or use tax. Tenant agrees to indemnify Landlord for the payment of any sales or use tax required to be paid by Tenant during the term of this Lease, in the event Tenant loses its tax exempt status or becomes obligated to pay sales or use tax.

4.3 Personal Property Taxes. Tenant shall pay, prior to delinquency, all taxes assessed or levied upon its business operation, and upon its leasehold interest, trade fixtures, furnishings, equipment and personal property of any kind owned, installed or used by Tenant in, on or upon the Demised Premises, and all alterations, changes and additions thereto.

4.4 Late Charge and Bad Check Payments. In the event Tenant fails to pay a monthly installment of Base Rent, additional rent, sales tax or any other charges by the tenth day of each month, Tenant shall pay Landlord a late charge equal to the lesser of eighteen percent (18%) per annum (1.5% per month) or the highest lawful rate on the total amount remaining unpaid from and after the due date thereof until received by Landlord. If Tenant pays the Base Rent or other payment with a bad check, Tenant shall pay to Landlord a bad check fee in the amount of \$100.00 and, at Landlord's option, Tenant shall pay all future Base Rent, sales tax and other charges by cash, cashier's check or by money order.

4.5 Real Estate Taxes. While the Landlord is currently exempt from the payment of real estate taxes on the Demised Premises, if the Landlord ever becomes obligated to pay real estate taxes on the Demised Premises, then Tenant shall pay to Landlord as additional rent any and all real estate taxes levied against, and allocated to, the Demised Premises, which are subject of this Lease. In the event any governmental authority having jurisdiction shall levy an assessment against the real estate which is now or hereinafter becomes a part of the Demised Premises, for public betterment or improvements, Tenant shall also pay to Landlord as additional rent the total of such assessment.

## SECTION 5. USE OF DEMISED PREMISES.

5.1 Permitted Use. It is understood and agreed between the parties hereto and Tenant covenants that the Demised Premises during the continuance of this Lease shall be used and occupied only by Tenant for the Permitted Use as defined and set forth in the Lease Summary Section, and for no other purpose or purposes without the prior written consent of Landlord. Tenant agrees to operate its business within the Demised Premises for such use during the entire term of this Lease, and to conduct its business at all times in a business-like and reputable manner. Tenant shall, at its sole expense, procure any and all governmental licenses and permits required for the conduct of Tenant's business on the Demised Premises and shall, at all times, comply with the requirements of each such license and permit. Landlord will have the right to prescribe such reasonable rules governing the conduct of business in and operation of the Building as Landlord deems necessary for the benefit of customers and tenants of the Building and to promote Landlord's relationship with such parties. Landlord agrees not to enact any rules or regulations which will

unreasonably interfere with Tenant's use of the Demised Premises. No auction, fire, liquidation or bankruptcy sale may be conducted in the Demised Premises without the previous written consent of Landlord.

5.2 Lawful Use of Demised Premises. Tenant will not utilize the Demised Premises for any unlawful purpose. Tenant will comply with all applicable laws, ordinances, and regulations of governmental authorities, including especially but not by way of limitation, those laws, rules, ordinances and regulations regarding its use, storage and disposition of hazardous materials, pollutants and bio-medical waste. Tenant shall, at its sole expense, procure any and all governmental licenses and permits required for the conduct of Tenant's business on the Demised Premises and shall, at all times, comply with the requirements of each such license and permit.

SECTION 6. CARE OF PREMISES. Tenant will not perform any acts or carry on any practices within the Demised Premises which may injure the building or create a nuisance or menace and will keep the Demised Premises clean and free from vermin, rubbish and debris at all times, and will store all trash and garbage within the Demised Premises or at Landlord's designated place therefore. Tenant will not burn any trash or garbage of any kind within the building. Tenant will not keep or display any merchandise on or otherwise obstruct the walkways or arcways adjacent to the Demised Premises without the written consent of Landlord.

SECTION 7. MAINTENANCE.

7.1 During the Term of this Lease, Landlord will make all necessary repairs and replacements to the Demised Premises, including the roof, structural components, exterior walls, all parking areas, all landscaping, and all building systems (including the plumbing, electrical and air conditioning) and whether structural in nature or required due to fire, casualty, or other act of God or otherwise; Landlord will pay for all such repairs except such repairs that may be occasioned by the negligence of Tenant or Tenant's agents or employees. If any repairs to the building systems (including the plumbing, electrical and air conditioning systems within the Demised Premises) or to the structural portion of the Demised Premises are required as a result of the negligence of Tenant or Tenant's agents or employees, then Tenant will pay all expenses incurred by Landlord as a result of making such repairs. Landlord will also maintain the exterior landscaped areas.

7.2 During the Term of this Lease, Tenant shall at its own cost and expense, maintain the interior of the Demised Premises, including any special equipment installed in the Demised Premises, in a good, clean, sanitary and safe condition. Tenant will also maintain the Demised Premises so that they shall be in compliance with all applicable rules and regulations of governmental and quasi-governmental agencies. Tenant may fulfill its maintenance obligation set forth in this subsection by contracting with Landlord to provide the required maintenance.

SECTION 8. ALTERATIONS. Tenant will not make any material alterations, additions, or improvements to the Demised Premises (whether or not the same may be structural in nature) without first obtaining Landlord's written consent. All alterations, additions, improvements and such fixtures, other than trade fixtures and equipment, which as a matter of law have become a part of the realty and which may be made or installed by either of the parties hereto upon the Demised Premises and which in any manner are attached to the floors, walls or ceiling shall, upon the expiration or termination of this Lease, become the property of Landlord without any payment by Landlord therefore.



## SECTION 9. INSURANCE.

9.1 During the Term of this Lease, Tenant will, at its expense, procure and continue in force commercial general liability insurance with a limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, Two Million Dollars (\$2,000,000.00) in the annual aggregate, or such greater amounts as may be required by Landlord from time to time in accordance with industry standards.

9.2 All personal property of Tenant located in the Demised Premises shall be placed therein at Tenant's sole risk and Landlord shall have no liability for any loss or damage suffered to such personal property unless such damage is proximately caused by the negligence of Landlord. Tenant shall also procure and maintain throughout the Term, a comprehensive property policy, including special perils insuring all of Tenant's property and all improvements in an amount which will insure the replacement value of Tenant's property and the improvements. If Tenant has any equipment in the Demised Premises which emits any radiation, Tenant's insurance policy must insure against all personal injuries and property damage resulting from radiation exposure. Tenant may fulfill this insurance by contracting with Landlord to provide the required insurance.

9.3 Any insurance policies hereunder will name Landlord as an additional insured, and Tenant will furnish Landlord evidence of such insurance coverage by way of an endorsement to same or a certificate of insurance no later than (10) days prior to the Commencement Date, unless otherwise sooner requested by Landlord. All such insurance will be with an insurance carrier acceptable to Landlord who must have a rating of no less than "excellent" by A.M. Bests, and may not be modified or terminated without thirty (30) days' prior written notice to Landlord. In lieu of a third party insurance certificate, Tenant may supply a self insurance certificate in an amount not less than required above.

9.4 Upon the default of the Tenant in effecting any such insurance, the Landlord may procure any such comparable insurance, and/or pay the premiums and other charges incidental thereto, and any and all reasonable amounts so paid by the Landlord, together with the interest thereon from the date of such payment, at the rate of 10% per annum, shall be additional rental hereunder, and shall be paid with the next and subsequent installment of fixed rent, which shall become due after such payment by Landlord, it being expressly agreed that the payment by Landlord of any such premium shall not be deemed to waive or release the default in the payment thereof by the Tenant, or the right of the Landlord to take such action as may be permissible hereunder, as is the case of default in the payment of fixed rent.

9.5 Tenant will cooperate with the Landlord and Landlord will cooperate with Tenant and any mortgagee in connection with the collection of any insurance monies that may be due in the event of loss, and will execute and deliver to Landlord and any mortgagee such proofs of loss, and any other instruments that may be required for the purpose of facilitating the recovery of any such insurance monies, and in the event that Tenant shall fail or neglect to so cooperate or to execute, acknowledge, and deliver any such instrument, Landlord in addition to any other remedies, may, as the agent or attorney in fact of Tenant, execute and deliver any proofs of loss, and any other instruments as may be desirable to Landlord and any mortgagee, for the collection of such insurance monies, and the Tenant hereby irrevocably nominates, constitutes and appoints Landlord, Tenant's proper and legal attorney in fact for such propose, hereby ratifying all that Landlord may do as such attorney in fact of Tenant. Landlord will cooperate with the Tenant and any mortgagee in the same manner and to the same extent as Tenant is required to cooperate hereunder.

9.6 Landlord's Insurance. Landlord shall maintain comprehensive general liability insurance, casualty insurance, rent insurance and such other insurance as Landlord may deem necessary or desirable to

protect Landlord against loss with respect to the Demised Premises or to protect Landlord against claims which may arise out of the operation of the Demised Premises. Tenant shall have no rights in any policy or policies maintained by Landlord and shall not be entitled to be a named or additional insured thereunder.

**SECTION 10. HOLD HARMLESS.**

10.1 Tenant agrees to indemnify Landlord against any and all claims, debt, demands, obligations, costs, fines or losses incurred by or which may be made against the Landlord or against the Landlord's title in the Demised Premises arising by reason of the following:

10.1.1 The failure by Tenant to perform any covenant required to be performed hereunder;

10.1.2 Any accident, injury or damage that shall happen in or about the Demised Premises resulting from any negligence, wrongful act or omission of Tenant or Tenant's officers, agents, employees, patients, invitees, or licensees, or resulting from the condition, maintenance or operation of the Demised Premises by Tenant;

10.1.3 The failure of Tenant to comply with any statute, law, ordinance, rule or regulation or any other requirement of any controlling governmental authorities; any lien or security agreement filed against the Demised Premises on account of labor, materials or services supplied to or for Tenant; or

10.1.4 Any attorneys' fees incurred by Landlord in connection with any of the foregoing regardless of whether such attorneys' fees are incurred in legal proceedings or otherwise.

If it becomes necessary for Landlord to defend any action seeking to impose any such liability, Tenant will pay Landlord all costs of court and reasonable attorneys' fees incurred by Landlord in such defense, in addition to any other sums which Landlord may be called upon to pay by reason of the entry of a judgment or decree against Landlord in the litigation in which such claim is asserted. If it is determined that Tenant is entitled to sovereign immunity, then this provision shall be subject to the limitations of liability as provided in Section 768.28 of the Florida Statutes and will not act as a waiver of Tenant's entitlement to sovereign immunity as a matter of statutory and common law.

10.2 Landlord agrees to indemnify Tenant against any and all claims, debt, demands, obligations, costs, fines or losses incurred by or which may be made against Tenant arising by reason of the following:

10.2.1 The failure by Landlord to perform any covenant required to be performed hereunder;

10.2.2 Any accident, injury or damage that shall happen in or about the Demised Premises resulting solely as a result of any negligence, wrongful act or omission of Landlord or Landlord's officers, agents, employees, patients, invitees, or licensees, with respect to Landlord's maintenance and repair obligations under the Lease;

10.2.3 The failure of Landlord to comply with any statute, law, ordinance, rule or regulation or any other requirement of any controlling governmental authorities; or

10.2.4 Any attorneys' fees incurred by Landlord in connection with any of the foregoing regardless of whether such attorneys' fees are incurred in legal proceedings or otherwise.



If it becomes necessary for Tenant to defend any actions seeking to impose any such liability, Landlord will pay Tenant all costs of court and reasonable attorneys' fees incurred by Tenant in such defense, in addition to any other sums which Tenant may be called upon to pay by reason of the entry of a judgment or decree against Tenant in the litigation in which such claim is asserted. Landlord's obligation to indemnify, however, shall not alter or waive Landlord's sovereign immunity or extend Landlord's liability beyond the limits established in section 768.28, Florida Statutes, as amended.

10.3 Notice of Claims. Should any claim (including any investigation by a federal or state agency) be made with respect to any matter to which the foregoing indemnity relates, the party against whom such claim is asserted (the "Indemnified Party"), shall give written notice to the other party (the "Indemnifying Party") within 10 days after receipt of any such claim, and the Indemnifying Party shall thereafter defend or settle any such claim, at its sole expense, on behalf of the Indemnified Party with counsel selected by the Indemnifying Party and who is reasonably acceptable to the Indemnified Party. In such defense or settlement of any claims, the Indemnified Party shall cooperate with the Indemnifying Party to the maximum extent reasonably possible. The Indemnified Party, at its own expense, may have independent counsel monitor the defense and settlement of any such claim or suit. Neither party will be required to indemnify the other party under any settlement made without its consent, said consent not to be unreasonably withheld.

10.4 The obligations to indemnify set forth herein shall survive termination of this Lease.

**SECTION 11. ASSIGNMENT AND SUBLETTING.** Tenant will not voluntarily, involuntarily or by operation of law assign, mortgage or otherwise encumber this Lease, in whole or in part, nor sublet all or any part of the Demised Premises or permit the Demised Premises or any part thereof to be used or occupied by others, without first obtaining in each and every instance the prior written consent of Landlord, which consent shall not be unreasonably withheld. The consent by Landlord to any assignment or subletting will not constitute a waiver of the necessity for such consent to any subsequent assigning or subletting. If this Lease or any interest therein is assigned, or if the Demised Premises or any part thereof is sublet or occupied by anyone other than Tenant without Landlord's prior written consent having been obtained, Landlord may nevertheless collect rent from the assignee, successor or occupant and apply the net amount collected to the Base Rent payments herein reserved, but no such assignment, subletting, occupancy or collection shall be deemed a waiver of the covenant herein against assignment and subletting or the acceptance of the assignee, subtenant or occupant as Tenant hereunder, or constitute a release of Tenant from the further performance by Tenant of the terms and provisions of this Lease.

Landlord has the option at its own discretion to assign, transfer, mortgage or dispose by any means its ownership interest in whole or part the Demised Premises. Any transfer of ownership interest by the Landlord shall not affect the duties and obligations of the Tenant under this Lease. In the event of a transfer of ownership interest, the obligations and duties of the Tenant shall be owed to the new landlord.

**SECTION 12. RIGHTS RESERVED TO LANDLORD.**

12.1 Access. Landlord will have the right to enter upon the Demised Premises at all reasonable hours for the purpose of inspecting same, for exhibiting the Demised Premises to prospective mortgagees, or for making repairs to the Demised Premises or to any property owned or controlled by Landlord therein. Landlord will give reasonable notice of its intention to inspect the Demised Premises or for making repairs other than in the event of an emergency.

12.2 Keys. To retain at all times, and to use in appropriate instances, keys to all doors within and into the Demised Premises (except for keys to Tenant's safe and drug closets). No locks shall be changed without the prior written consent of Landlord and in the event of any such change; Tenant shall at Tenant's expense furnish to Landlord a key to the changed lock.

12.3 Title. To have and retain a paramount title to the Demised Premises free and clear of any act of Tenant.

### SECTION 13. UTILITIES AND SERVICES.

13.1 Landlord's Utilities. Landlord, at Landlord's expense, shall furnish the Demised Premises with water, sewer services and trash and garbage removal during the Term of this Lease.

13.2 Interruption of Service. Landlord shall not be liable or responsible for any temporary interruption in such utilities or other services due to causes beyond Landlord's reasonable control or for temporary interruptions in connection with the making of repairs or improvements the Demised Premises. Nor shall such temporary interruption be deemed an eviction or disturbance of Tenant's use and possession, or render Landlord liable for damages, by abatement of rent or otherwise, or relieve Tenant from any obligation herein set forth.

13.3 Tenant's Utilities. Tenant shall pay or cause to be paid all charges for gas, electric, cable, telephone and other utility services used, rendered or supplied to the Demised Premises during the Term of this Lease.

13.4 Medical Waste. Notwithstanding anything herein contained to the contrary, Tenant agrees that it will, at its sole cost and expense, promptly and properly dispose of all medical waste and infectious medical waste produce by Tenant, and its agents, employees, invitees and patients on the Demised Premises.

### SECTION 14. EMINENT DOMAIN.

14.1 Taking. If the whole of the Landlord's property, or the Demised Premises, or if more than 20% of the floor area of the Demised Premises is taken, which materially affects Tenant's use and occupancy of the Demised Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose, or sold under threat of that power, this Lease shall terminate as to the part taken or sold as of the date of vesting of title on such taking (herein referred to as "Date of Taking"), and the rent shall be prorated and adjusted as of such date.

14.2 Temporary Taking. If the temporary use or occupancy of all or any part of the Demised Premises shall be taken by condemnation or in any other manner for any public or quasi-public use or purpose during the term of this Lease, Tenant shall be entitled, except as hereinafter set forth, to receive that portion of the award or payment of such taking which represents compensation for the use and occupancy of the Demised Premises, for the taking of Tenant's property and for moving expenses. This Lease shall be and remain unaffected by such taking, and Tenant shall continue to pay in full the Base Rent and Additional Rent when due. If the period of temporary use or occupancy shall extend beyond the expiration date of this Lease, that part of the award which represents compensation for the use and occupancy of the Demised Premises (or a part thereof), or the Property shall be divided between Landlord and the Tenant so that Tenant shall receive so much as represents the period after such expiration date.

14.3 Partial Taking. In the event of any taking of less than the whole of the Property upon which the Demised Premises is situated which does not result in termination of this Lease: (a) subject to prior rights of first mortgage, Landlord, at its expense, shall proceed with reasonable diligence to repair the remaining parts of the Demised Premises (other than those parts of the Demised Premises which are Landlord's property and Tenant's property) to substantially their former condition to the extent that the same be feasible (subject to reasonable changes which Landlord shall deem desirable) and so as to constitute a complete and tenable Demised Premises; and (b) Tenant, at its expense, shall proceed with reasonable diligence to repair the remaining parts of the Demised Premises which are deemed Landlord's property pursuant thereto and Tenant's property to substantially their former condition to the extent that the same may be feasible, subject to reasonable changes which Tenant shall deem desirable. Such work by Tenant shall be deemed alterations as hereinafter defined. In the event of any partial taking, Tenant shall be entitled to a reduction in Base Rent for the remainder of the Lease term following such partial taking based upon the percentage of space taken relative to the original space leased.

14.4 Award. Tenant shall not be entitled to and expressly waives all claim to any part of the payment or award for any such taking, provided; however, that Tenant shall have the right to and may claim from the condemnor, but not from Landlord, such compensation as may be recoverable by Tenant in its own right for (1) any taking of Tenant property, including any fixtures and improvements installed by Tenant at its expense, (2) moving expenses, (3) damages for cessation or interruption of Tenant's business, or (4) for any other damages Tenant is entitled to by law.

#### SECTION 15. FIRE OR CASUALTY DAMAGE.

15.1 If the Demised Premises or any portion of the Building shall be damaged or destroyed by fire, other casualty, acts of God or the elements, Landlord will, except as otherwise provided herein, repair and restore the same to substantially the same condition thereof existing immediately prior to such damage or destruction, or to the condition thereof existing as of effective date of this Lease, in Landlord's sole discretion. Landlord will use available insurance proceeds from policies covering the Premises to pay for the repairs and restoration. If by reason of such occurrence:

- (a) The Demised Premises are damaged in whole or in part as a result of a risk which is not covered by Landlord's insurance policies, or is damaged to such an extent that rebuilding or restoring the Demised Premises is not feasible in Landlord's sole discretion; or
- (b) The Demised Premises are damaged in whole or in part during the last year of the Term;

then, Landlord may elect either to repair the damage within 180 days after the date of such occurrence or to terminate this Lease. Landlord shall give Tenant written notice of its election within 30 days after the date of such occurrence. If Landlord elects to terminate, then this Lease shall cease and terminate as of the date of the occurrence, and Tenant shall vacate and surrender the Demised Premises to Landlord. Upon the termination of this Lease as aforesaid, Tenant's liability for Base Rent and Additional Rent shall abate from the date of such occurrence, and any Base Rent or Additional Rent paid for any period beyond this date shall be repaid to Tenant. Unless this Lease is terminated by Landlord as aforesaid, this Lease shall remain in full force and effect, except as set forth below.

If the Landlord does not restore the Demised Premises within 180 days from the date of the occurrence, the Tenant may, in addition to any other remedies available to it, upon 30 days prior written notice to Landlord, terminate this Lease retroactive to the date of the occurrence if the restoration is not

completed within such 30 day period. But the Landlord's time for restoration shall be extended one day for each day of delay (but in no event more than 10 days) attributable to reasons beyond its control.

15.2 If by reason of fire, other casualty, acts of God or the elements the Premises are rendered wholly untenable, the Base Rent and Additional Rent due under Section 3 hereof shall be fully abated from and after such casualty until the Demised Premises are rebuilt. If the Demised Premises are only partially damaged and Tenant is deprived of only a portion of the Demised Premises, the Base Rent and Additional Rent shall be abated proportionately as to that portion of the Demised Premises that was damaged until that portion of the Demised Premises is restored or rebuilt.

15.3 Except for such abatement of the Base Rent and Additional Rent, as hereinabove set forth, nothing herein contained shall be construed to abate any other obligations of Tenant hereunder. If such damage or other casualty shall be caused by the negligence of Tenant or of Tenant's subtenants, licensees, patients, contractors or invitees or to their respective agents or employees, there shall be no abatement of the Base Rent and Additional Rent.

#### **SECTION 16. DEFAULT AND TERMINATION.**

16.1 Events of Default. The following shall constitute a default by Tenant:

16.1.1 Tenant's failure to pay and deliver to Landlord Base Rent or Additional Rent after they are due, or Tenant's failure to comply with any other financial obligation under this Lease, including the payment of any real estate taxes and insurance premiums, within 5 days after written demand by Landlord;

16.1.2 Tenant's failure to diligently comply with any other provision of this Lease and in any event within 30 days after written demand by Landlord, except that if any such failure is not capable of being cured within such 30 day period, and if within such 30 day period Tenant gives Landlord written notice of such fact specifying (i) why the failure cannot be cured within the 30 day period, (ii) the steps Tenant will take to cure the failure, and (iii) the time when the failure can be cured, Tenant shall be given a reasonable time to cure such failure so long as Tenant has timely commenced and thereafter diligently proceeds to completely cure such failure as soon as possible;

16.1.3 If any voluntary or involuntary petition or similar pleading under any section or sections of any bankruptcy act shall be filed by or against Tenant, or any voluntary or involuntary proceeding in any court shall be instituted to declare Tenant insolvent or unable to pay Tenant's debts, and in the case of an involuntary petition or proceeding if same is not dismissed within 60 days from the date it is filed, or if Tenant makes an assignment for the benefit of its creditors, or if a receiver is appointed for any property of Tenant, or if Tenant's leasehold interest is levied upon under execution or is attached by process of law;

16.1.4 If Tenant fails to take possession of, vacates or abandons the Demised Premises. Tenant shall be deemed to have abandoned the Demised Premises if Tenant is absent therefrom for any consecutive 30 day period; or

16.1.5 If Tenant attempts to or actually does assign this Lease or sublets all or any part of the Demised Premises, or permits the Demised Premises or any part thereof to be used or occupied by others, without first obtaining in each and every instance the prior written consent of Landlord as required in Section 11 of this Lease.

16.2 Landlord's Remedies Upon Default.

16.2.1 If Tenant defaults under the terms and conditions of this Lease, as set forth above, Landlord, at its sole option, shall have the immediate right of entry and may remove all persons and property from the Demised Premises and such property may be stored in a warehouse or elsewhere at the cost of, and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass, forcible entry, detainer or liability for any loss or damage which may be occasioned thereby. Should Landlord elect to re-enter as herein provided, or should Landlord take possession of the Demised Premises pursuant to legal proceedings, Landlord may either:

- (a) Terminate this Lease; or may
- (b) From time to time without terminating this Lease, make such alterations, improvements and repairs to the Demised Premises as may be necessary to relet the Demised Premises, and may relet the Demised Premises or any part thereof for such term or terms (which may be for a term extending beyond the Term) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable.

Upon each such reletting all monies received by Landlord from such reletting shall be applied as follows:

- (a) First, to the payment of any indebtedness other than Base Rent and Additional Rent due hereunder from Tenant to Landlord;
- (b) Second, to the payment of any costs and expenses of such reletting, including brokerage fees, attorney's fees and costs of such alterations, improvements and repairs;
- (c) Third, to the payment of Base Rent, Additional Rent or any other payment due and unpaid hereunder, and the residue, if any, shall be held by Landlord and applied towards the payment of future Base Rent and Additional Rent due hereunder as the same may become due and payable hereunder.

In no event shall Tenant have any right to any monies received by Landlord from any reletting other than to have such monies applied towards the indebtedness of Tenant to Landlord as aforesaid, and to the extent such monies exceed any indebtedness of Tenant, they shall be the sole property of Landlord. If such rentals and other monies received from such reletting during any month is less than the Base Rent and Additional Rent to be paid during that month by Tenant hereunder, Tenant shall pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly.

No such entry or taking of possession of the Demised Premises by Landlord shall be construed as an election on its part to terminate this Lease, unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous default by written notice to Tenant. Should Landlord at any time terminate this Lease for any default, in addition to any other



remedies it may have, it may recover from Tenant all damages incurred by reason of such breach including:

- (a) The cost of recovering and reletting the Demised Premises as referred to above;
- (b) All attorneys' fees;
- (c) The worth at the time of such termination of the excess, if any, of the amount of all Base Rent and Additional Rent reserved in this Lease for the remainder of the Term over the then reasonable rental value of the Demised Premises for the remainder of the Term.

All amounts described above shall be immediately due and payable from Tenant to Landlord. In any event, this Section shall not be deemed to require Landlord to re-enter the Demised Premises upon default by Tenant, and Landlord may, at its sole option, do nothing with respect to the Demised Premises and hold Tenant responsible for all Base Rent and Additional Rent due Landlord as and when the same shall accrue from time to time thereafter. All remedies provided herein are in addition to all other remedies available to Landlord as provided by law.

16.2.2 It is hereby expressly understood and agreed by and between the parties hereto that Tenant shall not be entitled to any abatement or reduction of any Base Rent and Additional Rent due Landlord in any eviction action or proceeding instituted by Landlord for nonpayment of any Base Rent, Additional Rent or other monies due, or in any eviction action or proceeding instituted by Landlord for any breach by Tenant of any covenant contained in this Lease.

16.3 Termination Upon Dissolution of Tenant. If Children's Diagnostic & Treatment Center, Inc. is dissolved voluntarily, involuntarily, administratively or by operation of law, and (1) the dissolution is not revoked within thirty (30) days after the effective date of dissolution, or (2) Children's Diagnostic & Treatment Center, Inc. is not reinstated within thirty (30) days after the effective date of dissolution, then this Lease shall automatically terminate as of the effective date of the dissolution. No notice of termination need be served. All obligations, monetary or otherwise, of the parties existing as of the date of termination under this Subsection 16.3 shall survive termination.

16.4 Termination Upon Termination of the Administrative Services Agreement. Landlord and Tenant acknowledge and agree that if the Administrative Services Agreement executed by the parties contemporaneous with the execution of this Lease is terminated by either party for any reason, then this Lease shall also terminate on the same date as Administrative Services Agreement. Upon such termination, Landlord and Tenant may enter into a new lease on the same terms, provisions, covenants, conditions and obligations as set forth in this Lease, except for the Base Rent which shall be the current market rate as determined by Landlord. All obligations, monetary or otherwise, of the parties existing as of the date of termination under this Subsection 16.4 shall survive termination.

## SECTION 17. ESTOPPEL CERTIFICATE, ATTORNMENMENT AND SUBORDINATION.

17.1 Within ten (10) days after the request by Landlord, Tenant will deliver to Landlord a written and acknowledged statement certifying that Tenant has accepted possession of the Demised Premises, that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same are in full force and effect as modified and stating the modifications), and the dates to which the basic rent and other charges or deposits have been paid in advance, if any. It is intended that any such statement delivered

pursuant to this Section may be relied upon by any prospective purchaser or mortgagee of the realty comprising the Building.

17.2 In the event of sale of Landlord's interest or any proceedings are brought for the foreclosure of or in the event of exercise of the power of sale under any mortgage executed by Landlord covering the Demised Premises, Tenant will attorn to the purchaser upon any such event and recognize such purchaser as Landlord under this Lease.

17.3 Upon request of Landlord, Tenant covenants that it will, in writing, within ten (10) days of its receipt of such request, furnish any documents required by Landlord or its lender or bonding company to subordinate Tenant's rights hereunder to any subsequent ground lease(s) or to the lien of any future mortgage(s), or the lien resulting from any other method of financing or refinancing, including bond financing, now or hereafter in force against the land and/or Building of which the Demised Premises are a part or against any buildings hereafter placed upon the land of which the Demised Premises are part, and to all advances made or thereafter to be made upon the security thereof, provided always that upon such subordination, if Tenant performs all its obligations under this Lease, then Tenant's right to possession of the Demised Premises will not be disturbed.

17.4 Should any mortgage, bond or other lien instrument require a modification or modifications of this Lease, which modification or modifications will not bring about any increased cost or expense to Tenant or in any other way substantially change the rights and obligations of Tenant hereunder, then and in such event, Tenant agrees that this Lease may be so modified.

17.5 Upon request of any party in interest, Tenant will execute promptly such instruments or certificates to carry out or confirm its obligations under subsections 17.1, 17.2, 17.3 and 17.4 above. Failure to execute such certificates as set forth above shall constitute a default under the Lease.

SECTION 18. **NON-LIABILITY OF LANDLORD.** Landlord will not be responsible to Tenant for any loss or damage to Tenant or its property from such activities, including, but not being limited to, bursting, clogged or leaking water, gas, air-conditioning pipes and ducts, sewer or steam pipes. This provision does not apply to any loss or damage to Tenant that may be occasioned by the gross negligence or wrongful acts of Landlord, its agents, employees, contractors or subcontractors.

SECTION 19. **CONDITION OF THE DEMISED PREMISES.** Tenant shall accept the Demised Premises in the condition as they are on the Commencement Date. Any warranty made by any person or entity in connection with the construction of the improvements or as to any materials, equipment or other items contained and incorporated herein shall inure to the benefit of be deemed to have been made to Tenant.

SECTION 20. **SIGNS.** Tenant will not place or cause or allow to be placed any exterior sign or signs at, in, or about the entrance to the Demised Premises or any other part of the same except in or at such places as may be indicated by Landlord and consented to by Landlord in writing, which consent will not be unreasonably withheld. Tenant shall pay for the installation of any said sign or signs. All signs shall remain the property of Tenant.

SECTION 21. **COVENANT AGAINST LIENS.** Tenant will have no power or authority to create any lien or permit any lien to attach to Tenant's leasehold or to the estate, reversion or other interest of Landlord in the Demised Premises or on the Building or other improvements of which the Demised Premises are a part. All materialmen, contractors, artisans, mechanics and laborers and other persons contracting with

Tenant with respect to the Demised Premises or any part thereof, or any such party who may avail himself of any lien against the realty (whether same shall proceed in law or in equity) are hereby charged with notice that they will look solely to Tenant to secure payment of any amounts due for work done or material furnished to Tenant at the Demised Premises or for any other purpose during the term of this lease. Tenant will indemnify Landlord against any loss or an expense incurred as a result of the assertion of any such lien, and Tenant covenants and agrees to transfer any claimed or asserted lien to a bond or such other security as may be permitted by law within thirty (30) days of the assertion of any such lien or claim of lien. Failure of Tenant to clear same within the time aforementioned constitutes a default under this Lease.

SECTION 22. **BROKEN GLASS.** At Tenant's sole expense, Tenant will replace any and all interior window or door glass in or about the Demised Premises that are damaged or broken from any cause whatsoever with the same or equivalent window or glass. If the damage or breakage is due to fire, windstorm or due to any other casualty against which Landlord is able to collect on its insurance, Tenant shall be responsible for any amount not covered by its insurance.

SECTION 23. **DEFAULT BY LANDLORD.** Landlord will in no event be charged with default in the performance of any of its obligations hereunder unless and until Landlord has failed to perform such obligations within thirty (30) days (or within such additional time as is reasonably required to correct any such default) after notice to Landlord by Tenant properly specifying wherein Landlord has failed to perform any such obligations.

SECTION 24. **QUIET ENJOYMENT.** Landlord agrees that if Tenant pays the Base Rent, Additional Rent and other charges herein provided, and performs all of the covenants and agreements herein stipulated to be performed on Tenant's part, Tenant will at all times during the term of this Lease have the peaceable and quiet enjoyment and possession of the Demised Premises without any hindrance from Landlord or any other persons lawfully claiming through Landlord, except as to such portion of the Demised Premises as will be taken under the power of eminent domain.

SECTION 25. **HOLDING OVER.** If Tenant remains in possession of all or any part of the Demised Premises after the expiration of the term of this Lease, then Tenant will be deemed a Tenant of the Demised Premises from month-to-month, cancelable upon 15 days written notice, subject to all of the terms and provisions hereof, except only as to the term of this Lease. Provided, however, that if Tenant continues in possession after written notice from Landlord canceling such month-to-month tenancy, the Base Rent payable pursuant to Subsection 4.1 hereof during such period as Tenant continues to hold the Demised Premises or any part thereof will be an amount equal to twice the basic annual rent in effect for the last lease year prior to the expiration of this Lease.

SECTION 26. **LIEN UPON TENANT'S PROPERTY.** All property, furniture, furnishings, equipment and fixtures of the Tenant situated upon the Demised Premises during the term of this Lease will be and are hereby bound for the payment of the Base Rent, Additional Rent and other charges specified herein and for the fulfillment of all covenants of this Lease, and a lien is hereby created thereon in favor of Landlord for the full and prompt payment of such amount and fulfillment of said covenants. The lien hereby created will be in addition to any statutory Landlord's lien. Tenant agrees that Landlord's lien for such payment may be enforced by distress, foreclosure or otherwise, at the sole option of Landlord, and Tenant agrees that such lien is granted to and vested in Landlord. Landlord agrees to subordinate its lien only to the lien of any institutional lender for Tenant's equipment, fixtures and improvements financed by a loan from such lender.



**SECTION 27. SURRENDER OF DEMISED PREMISES.** Tenant will deliver and surrender to Landlord possession of the Demised Premises upon expiration of this Lease, or its earlier termination as herein provided, broom clean, and in as good condition and repair as the same will be at the commencement of the term of this Lease, or may have been put by Landlord during the continuance thereof, excepting only ordinary wear and tear and damage by fire or the elements. Tenant will at its expense remove all property of Tenant, and Tenant will pay for the repair of all damage to the Demised Premises caused by such removal. Any property not so removed at the expiration of the term hereof will be deemed to have been abandoned by Tenant and may be retained or disposed of by Landlord, as Landlord may desire, and any of the costs therefor charged to Tenant. Tenant's obligation to observe and perform this covenant will survive the expiration or termination of this Lease.

**SECTION 28. NOTICES.** Any notice, request, demand, approval, consent or other communication which Landlord or Tenant may be required or permitted to give to the other party shall be in writing and shall be delivered or mailed to the other party at the address(es) specified in the Lease Summary Section, or to the Demised Premises if such communication is to Tenant, or to such other address as either party will have designated by written notice to the other. Such notice shall be effective upon delivery if given by delivery. If notice is given by mail, it will be effective three (3) business days after the notice is deposited in the United State mail with postage prepaid, via certified or registered mail.

**SECTION 29. LEGISLATIVE MODIFICATION.** The parties acknowledge and agree that this Lease is not in any way contingent upon or intended to induce the admission, recommendation, referral (including referrals for ancillary services) or any other arrangement for the provision, order or leasing of any item or service offered by Landlord to any patient of Tenant that would otherwise violate the Omnibus Budget Reconciliation Act of 1989, as amended ("Stark Law"); provided however, Tenant may be required to refer patients to a specific entity pursuant to the terms and conditions of an executed managed care agreement. It is further recognized by the parties hereto that the self-referral prohibition of the Stark Law and any regulations so implementing the Stark Law will affect the parties hereto except to the extent the parties are otherwise specifically exempt from or outside the scope of, the Stark Law and its regulations. The parties hereto agree that the terms and conditions of this Lease must at all times comply with the requirements of the Stark Law and any regulations implementing the Stark Law.

**SECTION 30. GOVERNING LAW AND VENUE.** This Lease will be construed in accordance with the laws of the State of Florida, without reference to its principles of conflicts of laws. Any suit, mediation, special proceeding or other proceeding pertaining to this Lease will be brought in the courts of Broward County, Florida which will include all courts in and for the State of Florida and the United States District Court for the Southern District of Florida.

**SECTION 31. ENTIRE AGREEMENT.** This Lease, the Lease Summary Section and any Exhibits attached hereto and incorporated by reference herein represents the entire understanding and agreement between the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous negotiations, agreements, proposals, responses, understandings and representations, if any, made by and between the parties with respect to the subject matter of this Lease. This Lease may be altered, modified or amended only by a written agreement signed by Landlord and Tenant.

**SECTION 32. RADON GAS.** Pursuant to Florida Statutes, Section 404.056(8), the following disclosure is required: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of Radon that exceed federal and state guidelines have been found in buildings in Florida. Additional

information regarding Radon and Radon testing may be obtained from your county public health unit. The foregoing notice is provided in order to comply with state law and is for informational purposes only.

SECTION 33. **ATTORNEY'S FEES.** In connection with any litigation, mediation, arbitration special proceeding or other proceeding arising out of this Lease, the prevailing party shall be entitled to recover from the other party its costs and reasonable attorney's fees, through and including any appeal and any post-judgment proceeding. Landlord's liability for costs and reasonable attorney's fees, however, shall not alter or waive Landlord's sovereign immunity or extend Landlord's liability beyond the limits established in section 768.28, Florida Statutes, as amended.

SECTION 34. **FORCE MAJEURE.** Except for the payment of Base Rent, Additional Rent and any other payments owed by Tenant, neither party shall be liable nor be deemed to be in default for any delay or failure in performance under this Lease or for other interruption of service deemed resulting, directly or indirectly, from acts of God, civil or military authorities, acts of the public enemy, war, whether or not declared, riots, insurrections, acts of government, accidents, fires, explosions, earthquakes, floods, hurricanes and tropical storms, failure of transportation, strikes or other work interruptions by employees or any similar or dissimilar cause beyond the control of either party. The time for performance shall be deemed extended for a period equal to the duration of such event.

SECTION 35. **WAIVER.** No failure by the Landlord or by the Tenant to insist upon the strict performance of any term hereof, or to exercise any right, power or remedy consequent upon a breach thereof, and no acceptance of full or partial rent during the continuance of any such breach, shall constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other than existing or subsequent breach. Nor will any custom or practice which may grow up between the parties in the administration of the provisions hereof be construed to waive or lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms hereof. The receipt by Landlord of any Base Rent and Additional Rent with knowledge of a breach of any provision of this Lease shall not be deemed a waiver of such breach. No payment by Tenant or receipt by Landlord of a lesser amount than the Base Rent and Additional Rent due Landlord shall be deemed to be other than on account of the earliest Base Rent and Additional Rent then unpaid.

SECTION 36. **RECORDING.** Neither this Lease nor any memorandum thereof will be recorded without the Landlord's prior written consent.

SECTION 37. **HAZARDOUS MATERIALS.** Landlord represents and warrants to Tenant that Landlord has not received any summons, citation, letter or other communication, whether written or verbal, from any agency or department of any government concerning the presence on the Property of any Hazardous Materials, and that should any such summons, citation, letter or other communication be received in the future, Landlord shall immediately notify Tenant of the fact and content thereof. In the event it is determined that any action must be taken by Landlord with regard to the presence, whether past, present or future, of any Hazardous Materials on the Property, Landlord covenants and agrees to take all such actions necessary to promptly bring the Property into compliance with all applicable laws or regulations. Tenant shall be solely responsible for any Hazardous Materials placed on the Property by Tenant and Tenant shall indemnify and hold Landlord totally harmless for any losses, costs, damages, clean-up costs, liabilities or expenses incurred by Landlord as a result of the presence of such Hazardous Materials. Tenant's indemnification obligation shall survive termination of this Lease.

Hazardous Materials Defined. "Hazardous Materials", for purposes of this Section means substances (a) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; (b) which is defined as a "Hazardous Waste", "Hazardous Substance", "Toxic Substance", pollutant or contaminate under any federal, state or local statute, regulation, rule or ordinance or amendments thereto; or (c) which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, or otherwise hazardous and is regulated by any governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of Florida or any political subdivision thereof; or biomedical waste.

SECTION 38. **AMERICANS WITH DISABILITIES ACT OF 1990.** In the event that the Demised Premises are determined not to be in compliance with the architectural standards of Title III of the Americans With Disabilities Act of 1990, as amended, (the "Act"), Landlord, at its sole cost and expense, shall begin construction of any modifications to the Demised Premises or such tenant improvements as may be necessary in order to comply with the requirements of the Act. Tenant shall be solely responsible for any non-compliance with the Act caused solely by improvements constructed by Tenant, if any, or by Tenant's use or occupancy of the Demised Premises. If the making of such repairs, replacements or improvements cause any substantial interference with Tenant's use of the Demised Premises, the Base Rent and Additional Rent shall be equitably abated. In no event, however, shall Tenant be relieved from the performance of obligations hereunder or shall any interference be deemed an actual or constructive eviction or partial eviction.

SECTION 39. **AUTHORITY TO CONTRACT OF TENANT.** Tenant hereby represents and warrants that the individual signing this Lease on behalf of Tenant is duly authorized to execute this Lease in the capacity indicated below; that Tenant is duly organized under the laws of the State of Florida, and that this Lease is a valid and binding obligation of Tenant enforceable according to its terms.

SECTION 40. **TIME IS OF THE ESSENCE.** It is understood and agreed between the parties hereto that time is of the essence of all of the terms and provisions of this Lease.

SECTION 41. **LEGAL INTERPRETATION.** It is the intent of both the Landlord and Tenant that this Lease be drawn for the benefit of the parties thereto. Both parties acknowledge that they have been represented by legal counsel in the preparation and execution of this Lease. As such, at some time subsequent to the execution of this Lease, if there is a question as to an interpretation of any portion of this Lease, there shall be no inference made as to the Landlord or Tenant as the drafter of this Lease.

SECTION 42. **THIRD PARTY BENEFICIARIES.** This Lease is solely for the benefit of the parties hereto, and is not entered into for the direct or indirect benefit of any other person or entity including, but not limited to, patients of the Landlord or patients of the Tenant.

SECTION 43. **SOVEREIGN IMMUNITY.**

44.1 **Of Landlord.** The parties hereto acknowledge that Landlord is a political subdivision of the state of Florida and enjoys sovereign immunity. Nothing in this Lease shall be construed to require Landlord to indemnify Tenant or insure Tenant for its negligence or to assume any liability for Tenant's negligence. Further, any provision in this Lease that requires Landlord to indemnify, hold harmless or defend Tenant from liability for any other reason shall not alter Landlord's waiver of sovereign immunity or extend Landlord's liability beyond the limits established in section 768.28, Florida Statutes, as amended.

44.2 Of Tenant. The parties hereto acknowledge that Tenant, as an affiliate of Landlord may enjoy the benefits of sovereign immunity. If it is determined that Tenant is entitled to sovereign immunity, then the parties acknowledge that nothing contained in this Lease shall be construed to require Tenant to indemnify Landlord or insure Landlord for its negligence or to assume any liability for Landlord's negligence. Further, any provision in this Lease that requires Tenant to indemnify, hold harmless or defend Landlord from liability for any other reason shall not alter Tenant's waiver of sovereign immunity or extend Tenant's liability beyond the limits established in section 768.28, Florida Statutes, as amended.

SECTION 44. EXCULPATION. Tenant agrees that it will look solely to the estate and property of the Landlord in the Demised Premises for the collection of any judgment (or any other judicial process) requiring the payment of money by Landlord in the event of any default or breach by Landlord with respect to any of the terms, covenants and conditions of this Lease to be observed and performed by Landlord and no other property or estates of Landlord will be subject to levy, execution or other enforcement procedures for the satisfaction of Tenant's remedies.

SECTION 45. MATTERS OF RECORD. This Lease is subject to all matters of record affecting the Demised Premises.

SECTION 46. SURVIVAL. The representations and warranties contained in this Lease shall survive the termination and/or expiration of this Lease.

SECTION 47. BINDING EFFECT. Except as herein otherwise expressly provided, the terms and provisions hereof will be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and permitted assigns, respectively, of Landlord and Tenant.

SECTION 48. PARTIAL INVALIDITY. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be held invalid, then the remainder of this Lease or the application of such provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby, and each provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

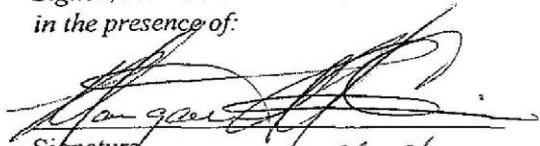
SECTION 49. SEPARABILITY. Each and every covenant and agreement contained in this Lease shall for all purposes be construed to be a separate and independent covenant and agreement, and the breach of any covenant or agreement contained herein by either party shall in no way or manner discharge or relieve the other party from its obligation to perform all other covenants and agreements herein.

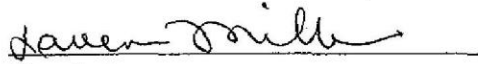
SECTION 50. REMEDIES CUMULATIVE. Each right, power and remedy of the Landlord or the Tenant provided for in this Lease shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Landlord or the Tenant of any one or more of the rights, powers, or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Landlord or the Tenant.

SECTION 51. HEADINGS AND USE OF TERMS. The section and paragraph headings to this Lease are for convenience and reference only. The words as provided in the section and paragraph headings will not be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the terms of this Lease. Terms defined in this Lease have the meaning, designation, and significance ascribed to the terms defined in this Lease.


IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates set forth below.


Signed, sealed and delivered  
in the presence of:

  
Signature  
Margaret McMenamin  
Printed Name

  
Signature  
Lavern Miller  
Printed Name

Signed, sealed and delivered  
in the presence of:

  
Signature  
Susan M. Widmayer  
Printed Name

  
Signature  
Ellen Bor  
Printed Name

LANDLORD:

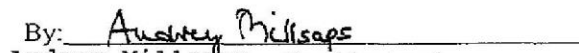
NORTH BROWARD HOSPITAL DISTRICT

  
By: WIL TROWER, President/CEO

Date: 4/4/05

TENANT:

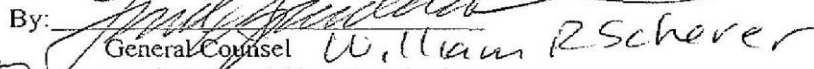
CHILDREN'S DIAGNOSTIC & TREATMENT  
CENTER, INC.

By:   
Audrey Millsaps, President and  
Chair of the Board of Directors

Date: February 25, 2005

APPROVED as to Legal Form

Date: 3/3/05

By:   
General Counsel William R. Scherer  
North Broward Hospital District