

Via Certified Mail

October 12, 2016

City of Delray Beach
100 NW 1st Avenue
Delray Beach, Florida 33444
Attn: Mauricio L. Lara

Re: Real Estate Lease File #317-3-1 (the "Lease") dated December 17, 2006 between FDG Flagler Station II LLC ("FDG as Lessor") and City of Delray Beach ("Lessee") concerning premises located on the Florida East Coast Railway's right-of way, as more particularly described in the Lease (the "Leased Premises").

Dear Mr. Lara,

I am writing on behalf of FDG Flagler Station II LLC ("FDG as Lessor") to inform you that new rail infrastructure is planned to be constructed for use in expanded rail services along the Florida East Coast Railway's ("FECR") right of way in the area of your Leased Premises. The installation of this new railway equipment will conflict with and make your continued use of portions of the Leased Premises unsustainable.

Accordingly, pursuant to Section 13 of the Lease, the Lessor hereby provides Lessee with prior written notice that Lessor intends to terminate the Lease effective November 11, 2016 (the "Termination Date"). However, in lieu thereof, the Lessor is agreeable to amending the Lease in one of two ways, either of which will permit the City to retain those portions of the Lease not impacted by this new infrastructure installation. Those two amendment approaches would either:

- a) Remove from the Leased Premises all portions lying within the impacted areas of the right-of-way on Parcels A, E, and F as notated on the attached Lease Map;
- or,
- b) Reduce the width of all portions of the Leased Premises within Parcels A, E, and F of the right-of-way to 11'.

At your earliest opportunity, please let me know if you would like to pursue an amendment by one of these two approaches, and we will proceed to obtain approval and deliver documentation for your execution.

Further, as required by Section 14 of the Lease, Lessor hereby directs Lessee to remove the following property from the Leased Premises prior to the Termination or Amendment Date, whichever is applicable:

- 1) All trash, debris and or other waste materials currently found on the Leased Premises;
- 2) All of Lessee's Property (as defined in the Lease) on the Leased Premises, or portions thereof being terminated by amendment

Mr. Mauricio L. Lara

October 6, 2016

Page 2

With the election of either of the amendment options, all trees, shrubs, or any other improvements placed in the former Leased Premises must be removed within thirty (30) days. All trees within the Leased Premises after the amendment must be trimmed in such a manner that all foliage canopy must be maintained inside the Lease Premise Boundary, and the Lessee should take all necessary steps to accomplish. Your scheduled site inspection with my field supervisor will help assist you in identifying the necessary steps to bring the lease improvements into compliance.

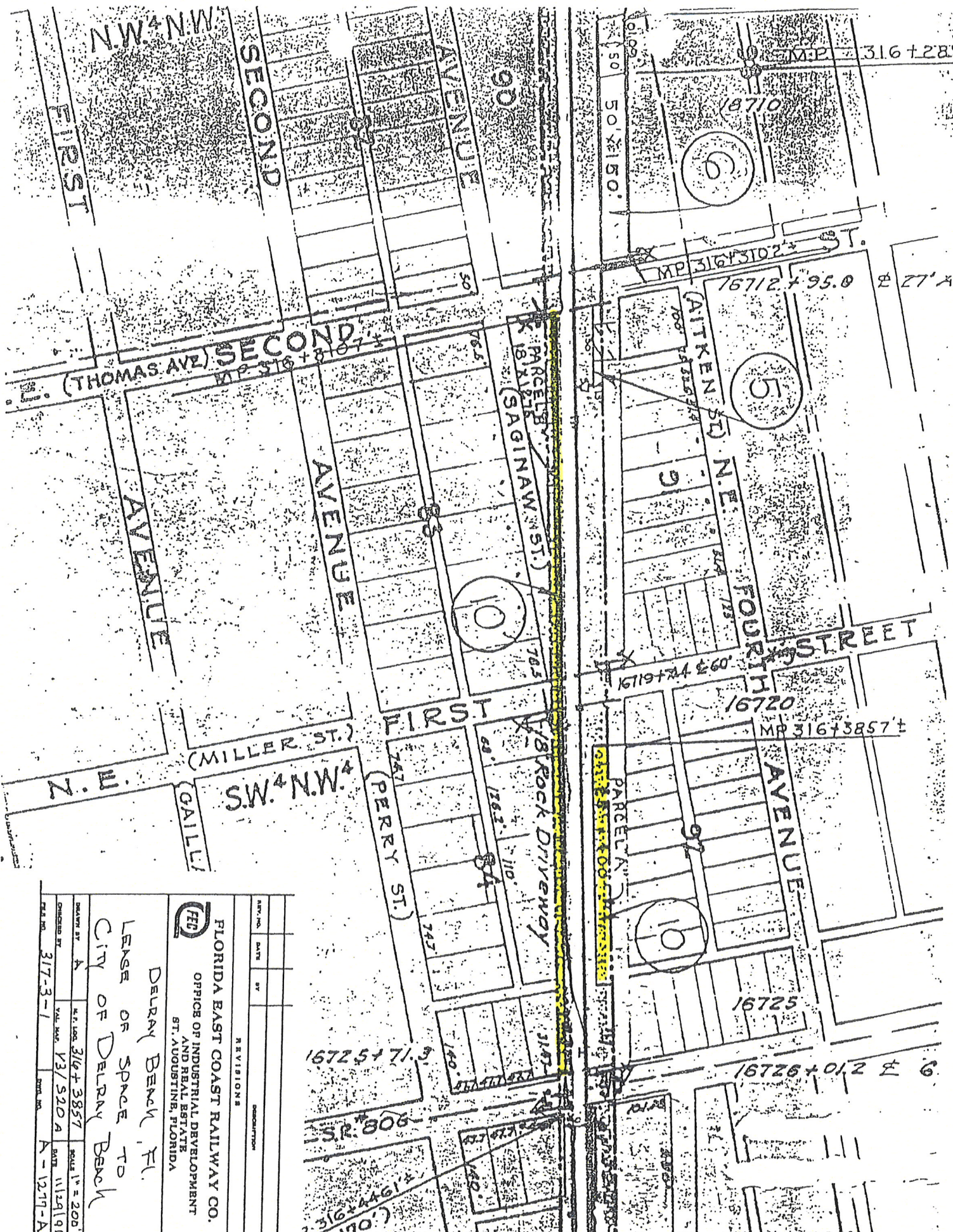
As provided in Section 14 of the Lease, Lessee is obligated to timely comply with the demand on or before the Termination Date of the Lease. The removal of all of the foregoing property shall be at Lessee's sole cost and expense. Lessee shall also repair, at its expense, any damage to the Leased Premises caused by the removal of any of Lessee's Property.

I will follow up with you in the coming days to see if you have any questions on this termination or amendment and to offer any assistance regarding identifying the Property that needs to be removed. If you should have any questions of me, please don't hesitate to contact me directly at (904) 565-4135.

Sincerely,



Erich Smith
Lease Administration Manager

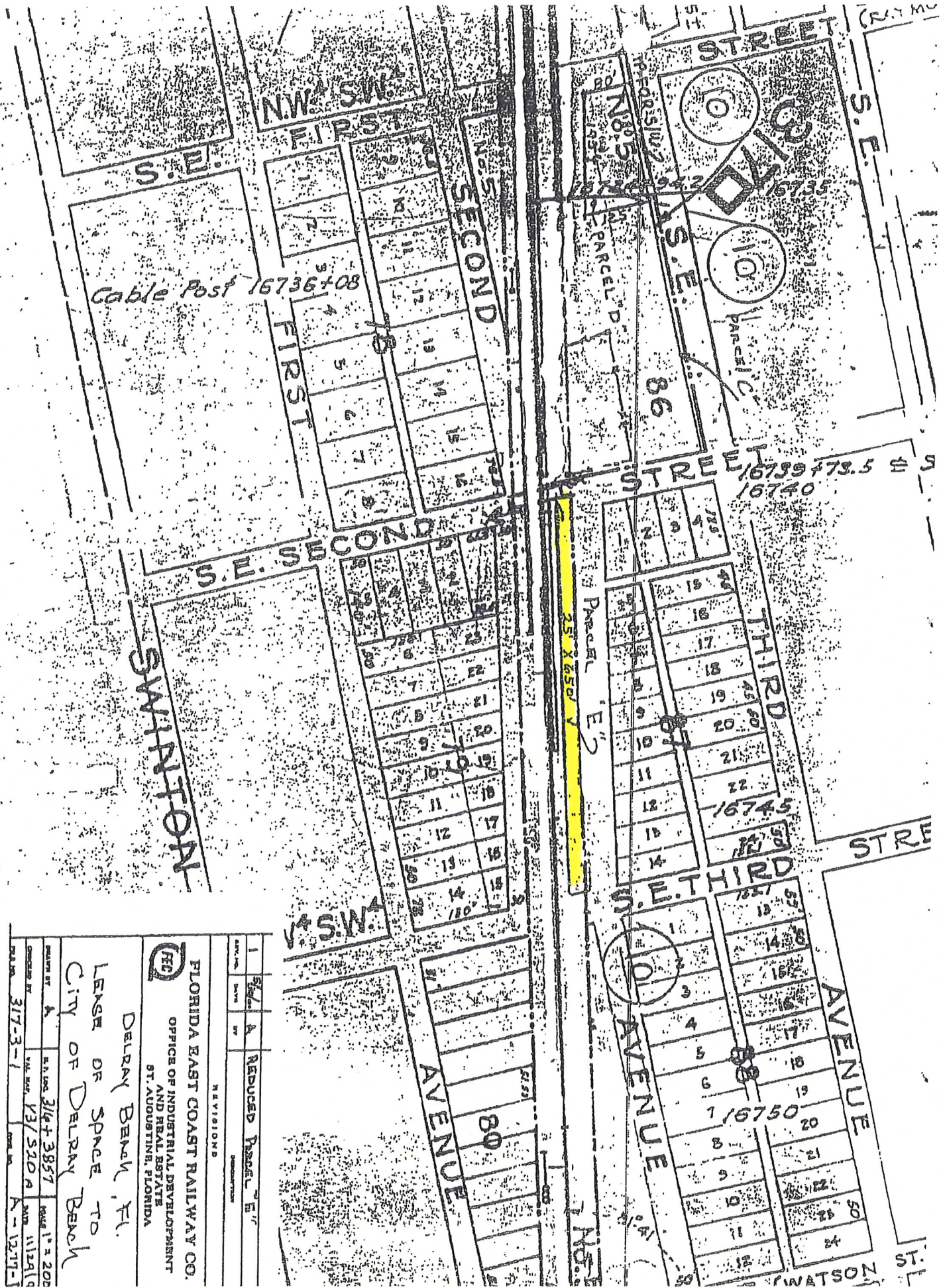


REVISIONS			
REV. NO.	DATE	BY	DESCRIPTION

FLORIDA EAST COAST RAILWAY CO.
 OFFICE OF INDUSTRIAL DEVELOPMENT
 AND REAL ESTATE
 ST. AUGUSTINE, FLORIDA

DELRAY BEACH, FL.
 LEASE OF SPACE TO
 CITY OF DELRAY BEACH

DRAWN BY	A	N.E. LOC.	316+3857	SCALE 1" = 200'
CHECKED BY		VAL. MAP.	Y3/S20A	DATE
FILE NO.	317-3-1	INTL. NO.	A-1277-A	



1	5/4	A	REDUCED Parcel "E"
REVISIONS			
DATE	BY	REVISION	DESCRIPTION
FLORIDA EAST COAST RAILWAY CO. OFFICE OF INDUSTRIAL DEVELOPMENT AND REAL ESTATE ST. AUGUSTINE, FLORIDA DELRAY BEACH, FL. LEASE OF SPACE TO CITY OF DELRAY BEACH			
DATE	BY	REVISION	DESCRIPTION
3/17-3-1	A	1	202
3/17-3-1	A	2	202
3/17-3-1	A	3	202
3/17-3-1	A	4	202
3/17-3-1	A	5	202
3/17-3-1	A	6	202
3/17-3-1	A	7	202
3/17-3-1	A	8	202
3/17-3-1	A	9	202
3/17-3-1	A	10	202
3/17-3-1	A	11	202
3/17-3-1	A	12	202
3/17-3-1	A	13	202
3/17-3-1	A	14	202
3/17-3-1	A	15	202
3/17-3-1	A	16	202
3/17-3-1	A	17	202
3/17-3-1	A	18	202
3/17-3-1	A	19	202
3/17-3-1	A	20	202
3/17-3-1	A	21	202
3/17-3-1	A	22	202
3/17-3-1	A	23	202
3/17-3-1	A	24	202

Block Signals 16775+16.2

Paved-Xing 16780+02

16782+31.0

FLORIDA EAST COAST RAILWAY CO. OFFICE OF INDUSTRIAL DEVELOPMENT AND REAL ESTATE ST. AUGUSTINE, FLORIDA			
DELRAY BEACH, FL. LEASE OF SPACE TO CITY OF DELRAY BEACH			
ORDER BY DATE 317-3-1	BY 3/14/3857	REVISED 11/24/94	SCALE 1" = 200' 1/2" = 100'

