



PENSACOLA-ESCAMBIA PROMOTION & DEVELOPMENT COMMISSION

November 15 @ 3:00 PM at the Greater Pensacola Chamber
117 W Garden Street | Pensacola, FL 32502

PEDC AGENDA

- | | |
|--|------------------|
| 1. Call to Order | Lewis Bear, Jr. |
| 2. Public Comment | Lewis Bear, Jr. |
| 3. Action Items | |
| a. Approval of October 27, 2016 Minutes | Lewis Bear, Jr. |
| b. Approval of September 2016 Financials | Chris Walker |
| c. Space Florida Ground Lease Draft | Richard Sherrill |
| 4. Discussion Items | |
| a. Other Business | Lewis Bear, Jr. |
| 5. Adjourn | Lewis Bear, Jr. |

Next Meeting: Tuesday, January 17 @ 2:00 PM - Venue TBD



PENSACOLA-ESCAMBIA PROMOTION & DEVELOPMENT COMMISSION

Thursday, October 27 @ 2:30 PM at the Greater Pensacola Chamber
117 W Garden Street | Pensacola, FL 32502

PEDC Minutes: Special Called Meeting

Attendees: Lewis Bear, Jr., Blaise Adams, Dave Hoxeng, Clorissti Mitchell, Steven Barry, and Larry Johnson

Staff: Attorney Richard Sherrill, Scott Luth, and Libby Brown

Absent: Freddie McCall, Andy Terhaar, and Grover Robinson

1. **Call to Order:** This Meeting was called to order at 2:35 PM.
2. **Public Comment:** Chairman Bear asked the room if there was any public comment. There was none.
3. **Action Items**
 - a. **Approve October 11, 2016 Minutes:** Chairman Bear asked if there were any changes to be made in the October 11 minutes. With none, it was MOVED by Steven Barry and SECONDED by Dave Hoxeng to approve the October 11 minutes. The motion passed unanimously.
 - b. **Approve FDOT Contract:** Scott Luth presented the FDOT contract to the PEDC Board of Directors. After discussion, it was MOVED by Blaise Adams and SECONDED by Dave Hoxeng to authorize Chairman Bear to sign the FDOT contract, *after* a resolution is drafted for the PEDC to formally adopt the rules laid out in the contract by Attorney Richard Sherrill. The motion passed unanimously.
 - c. **Approve Engineering Contract (BDI):** Baskerville-Donovan, Inc. submitted their contract for engineering services to the Board for review. It was MOVED by Steven Barry and SECONDED by Clorissti Mitchell to approve the Baskerville-Donovan contract. The motion passed unanimously.
 - d. **Approve Project Manager Contract (Cindy Anderson):** After discussion related to a do-not-exceed limit of \$50,000, and noting that travel will not be reimbursed via the FDOT grant, it was MOVED by Steven Barry and SECONDED by Dave Hoxeng to approve the Cindy Anderson contract AFTER a work schedule is added to the current draft contract. The motion was unanimously approved.
 - e. **Approve Marketing Contract (Vision First Advisors):** Scott Luth presented the draft bluff's marketing contract with Vision First Advisors to the Board. During discussion, it was noted that travel can be reimbursed under state reimbursement guidelines under this grant. It was MOVED Steven Barry and SECONDED by Blaise Adams to approve the marketing contract and the motion passed unanimously.
4. **Discussion Items**
 - a. **Space Florida Land and Lease Option:** Chairman Bear presented the Space Florida letter to the board. In discussion, it was noted that this is a nonbinding letter, and that it opens negotiations for a contract – and Attorney Richard Sherrill explained that by executing the letter, it is not enforceable by itself. It was MOVED by Blaise Adams and SECONDED by Dave Hoxeng to authorize Chairman Bear to sign the letter. The motion passed unanimously. Attorney Richard Sherrill was directed to draft a lease agreement to send

PENSACOLA-ESCAMBIA PROMOTION & DEVELOPMENT COMMISSION

Thursday, October 27 @ 2:30 PM at the Greater Pensacola Chamber
117 W Garden Street | Pensacola, FL 32502

to Space Florida for review, and Chairman Bear requested to the PEDC Board to approve the draft contract before sending it to Space Florida to review.

- b. Board Forum: There was conflict on the 2:00 time for the next Board Meeting. Staff was asked to bump the next PEDC Meeting (November 15) to 3:00 PM.

5. Adjourn: The Board adjourned at 3:26 PM.

- **Next Meeting: November 15 @ 3:00 PM at the Greater Pensacola Chamber in the Boardroom**

Respectfully Submitted By:

Dave Hoxeng, Secretary-Treasurer
Pensacola-Escambia Promotion & Development Commission

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

**DRAFT
SUBJECT TO REVISIONS
FOR DISCUSSION PURPOSES ONLY**

PENSACOLA-ESCAMBIA COUNTY PROMOTION AND DEVELOPMENT COMMISSION

FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

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DRAFT

**SUBJECT TO REVISIONS
FOR DISCUSSION PURPOSES ONLY**

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**BIZZELL, NEFF & GALLOWAY, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
P.O. BOX 12346 - 3250 NAVY BOULEVARD
PENSACOLA, FLORIDA 32591**

ACCOUNTANTS' COMPILATION REPORT

DRAFT

OCTOBER 25, 2016

**SUBJECT TO REVISIONS
FOR DISCUSSION PURPOSES ONLY**

TO THE BOARD OF DIRECTORS
PENSACOLA-ESCAMBIA COUNTY PROMOTION AND DEVELOPMENT COMMISSION
PENSACOLA, FLORIDA

MANAGEMENT IS RESPONSIBLE FOR THE ACCOMPANYING FINANCIAL STATEMENTS OF THE GOVERNMENTAL ACTIVITIES, THE GENERAL FUND AND THE FIDUCIARY FUND OF THE PENSACOLA-ESCAMBIA COUNTY PROMOTION AND DEVELOPMENT COMMISSION (THE "COMMISSION"), AS OF AND FOR THE YEAR ENDED SEPTEMBER 30, 2016, WHICH COLLECTIVELY COMPRISE THE COMMISSION'S BASIC FINANCIAL STATEMENTS AS LISTED IN THE TABLE OF CONTENTS, IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. WE HAVE PERFORMED A COMPILATION ENGAGEMENT IN ACCORDANCE WITH STATEMENTS ON STANDARDS FOR ACCOUNTING AND REVIEW SERVICES PROMULGATED BY THE ACCOUNTING AND REVIEW SERVICES COMMITTEE OF THE AICPA. WE DID NOT AUDIT OR REVIEW THE FINANCIAL STATEMENTS NOR WERE WE REQUIRED TO PERFORM ANY PROCEDURES TO VERIFY THE ACCURACY OR COMPLETENESS OF THE INFORMATION PROVIDED BY MANAGEMENT. ACCORDINGLY, WE DO NOT EXPRESS AN OPINION, A CONCLUSION, NOR PROVIDE ANY FORM OF ASSURANCE ON THESE FINANCIAL STATEMENTS.

MANAGEMENT HAS OMITTED THE MANAGEMENT DISCUSSION AND ANALYSIS THAT ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA REQUIRE TO BE PRESENTED TO SUPPLEMENT THE BASIC FINANCIAL STATEMENTS. THE MANAGEMENT DISCUSSION AND ANALYSIS, ALTHOUGH NOT A PART OF THE BASIC FINANCIAL STATEMENTS, IS REQUIRED BY THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD, WHO CONSIDERS IT TO BE AN ESSENTIAL PART OF FINANCIAL REPORTING FOR PLACING THE BASIC FINANCIAL STATEMENTS IN THE APPROPRIATE OPERATIONAL, ECONOMIC, OR HISTORICAL CONTENT.

MANAGEMENT HAS ELECTED TO OMIT SUBSTANTIALLY ALL OF THE DISCLOSURES REQUIRED BY ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. IF THE OMITTED DISCLOSURES WERE INCLUDED IN THE FINANCIAL STATEMENTS, THEY MIGHT INFLUENCE THE USER'S CONCLUSIONS ABOUT THE COMMISSION'S FINANCIAL POSITION AND RESULTS OF OPERATIONS. ACCORDINGLY, THE FINANCIAL STATEMENTS ARE NOT DESIGNED FOR THOSE WHO ARE NOT INFORMED ABOUT SUCH MATTERS.

BIZZELL, NEFF & GALLOWAY, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

**DRAFT
SUBJECT TO REVISIONS
FOR DISCUSSION PURPOSES ONLY**

	GENERAL FUND
ASSETS	
Cash	\$ 748,393
Technology Park property	
Land	8,325,000
Land improvements	3,243,106
Allowance for fair value adjustment	(5,718,106)
Technology Park property, net	<u>5,850,000</u>
TOTAL ASSETS	<u><u>\$ 6,598,393</u></u>
 LIABILITIES & NET POSITION	
Liabilities	
Accounts payable	\$ 1,414
Tech park payable - County LOC	2,156,611
Total liabilities	<u>2,158,025</u>
Net Position	
Restricted	61,198
Unrestricted:	
Committed	52,309
Unassigned	4,326,861
Total net position	<u>4,440,368</u>
TOTAL LIABILITIES & NET POSITION	<u><u>\$ 6,598,393</u></u>

SEE ACCOUNTANTS' COMPILATION REPORT

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016**

<p style="text-align: center;">DRAFT SUBJECT TO REVISIONS FOR DISCUSSION PURPOSES ONLY</p>		General
		Fund
Revenues		
Intergovernmental - City	\$	150,000
Intergovernmental - County		550,000
		<hr/>
Total Revenues		700,000
		<hr/>
Expenditures		
Current -		
General government -		
Economic development		570,000
Technology Park		58,866
Audit and accounting		7,500
Legal fees		3,745
Miscellaneous		1,611
		<hr/>
Total Expenditures		641,722
		<hr/>
Change in Net Position		58,278
Net Position, October 1, 2015		4,382,090
		<hr/>
Net Position, September 30, 2016	\$	4,440,368
		<hr/> <hr/>

SEE ACCOUNTANTS' COMPILATION REPORT

**PENSACOLA-ESCAMBIA COUNTY PROMOTION AND DEVELOPMENT COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2016**

DRAFT

**SUBJECT TO REVISIONS
FOR DISCUSSION PURPOSES ONLY**

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Intergovernmental - City	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Intergovernmental - County	550,000	550,000	550,000	-
Interest income	400	400	-	(400)
Total Revenues	700,400	700,400	700,000	(400)
Expenditures				
Economic development	570,000	570,000	570,000	-
Foreign trade zone	2,000	2,000	-	(2,000)
Technology Park	81,500	81,500	58,866	(22,634)
Audit and accounting	7,500	7,500	7,500	-
Legal fees	5,000	5,000	3,745	(1,255)
Miscellaneous	4,400	4,400	1,611	(2,789)
Total Expenditures	670,400	670,400	641,722	(28,678)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 30,000	\$ 30,000	\$ 58,278	\$ 28,278

SEE ACCOUNTANTS' COMPILATION REPORT

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2016**

	DRAFT	
	SUBJECT TO REVISIONS	
	FOR DISCUSSION PURPOSES ONLY	Deferred Compensation Fund
ASSETS		
Investments		\$ 38,957
TOTAL ASSETS		\$ 38,957
LIABILITIES & NET POSITION		
Liabilities		\$ -
Net Position		
Held for retirement benefits		38,957
TOTAL LIABILITIES & NET POSITION		\$ 38,957

SEE ACCOUNTANTS' COMPILATION REPORT

**PENSACOLA-ESCAMBIA COUNTY PROMOTION
AND DEVELOPMENT COMMISSION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED SEPTEMBER 30, 2016**

DRAFT SUBJECT TO REVISIONS FOR DISCUSSION PURPOSES ONLY		Deferred
		Compensation Fund
Additions		
Investment income	\$	3,009
Deductions		
Deferred compensation fund withdrawals	\$	9,600
Change in Net Position	\$	(6,591)
Net Position, October 1, 2015	\$	45,548
Net Position, September 30, 2016	\$	38,957

SEE ACCOUNTANTS' COMPILATION REPORT

GROUND LEASE

Between

PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION,

a political subdivision of the State of Florida,

as Landlord

and

SPACE FLORIDA,

an independent special district, a body politic and corporate, and a subdivision of the State of Florida,

as Tenant

Dated

_____, 2016

ESCAMBIA COUNTY, FLORIDA

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EXHIBIT A	DEFINITIONS
EXHIBIT B	SITE PLAN AND LEGAL DESCRIPTION OF PREMISES
EXHIBIT C	LANDLORD'S WORK
EXHIBIT D	LEGAL DESCRIPTION OF THE PENSACOLA TECHNOLOGY CAMPUS
EXHIBIT E	ESTOPPEL CERTIFICATE
EXHIBIT F	MEMORANDUM OF LEASE
EXHIBIT G	EXTENSION OPTION
EXHIBIT H	PERMITTED EXCEPTIONS
SCHEDULE 4.2	PLANS AND SPECIFICATIONS
SCHEDULE 19.1	SNDA

GROUND LEASE

THIS GROUND LEASE ("Lease") is made and entered into as of _____, 2016 (the "Effective Date"), by and between **PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION**, a political subdivision of the State of Florida ("Landlord"), whose address is 117 West Garden Street, Pensacola, Florida 32502, and **SPACE FLORIDA**, an independent special district, a body politic and corporate, and a subdivision of the State of Florida ("Tenant"), whose address is 505 Odyssey Way, Exploration Park, Florida, 32953.

BACKGROUND

A. Landlord owns approximately nine acres of land described in the attached **Exhibit D** which Landlord developed into a technology park described herein as the "Pensacola Technology Campus".

B. Tenant intends to ground lease three (3) lots located at the northwest corner of the Pensacola Technology Campus (such lots, together with any additional lots leased by Tenant as provided herein, being defined herein as the "Premises") from Landlord in order to construct a 70,000 square foot four story office building (the "**Building**") including site improvements thereon (the Building and site improvements defined herein collectively as the "**Tenant Improvements**"). Tenant intends to lease out office space within the Building to office space tenants (the "Space Tenants") and operate the Building as an anchor ground tenant for the remaining Pensacola Technology Campus (the "**Remaining Campus**").

C. Tenant has entered into agreement with the Pensacola Technology Group LLC, a Florida limited liability company (the "**Investor**"), who will provide the initial financing for the construction of Tenant Improvements (the "**Investor Loan**"). The Tenant contemplates that the Investor may convert the Investor Loan into an option to assume Tenant's ground leasehold interest under this Lease and ownership interest in the Tenant Improvements, to be memorialized, if elected by Investor, in an Investor option agreement (the "**Option Agreement**").

D. Landlord shall prepare a master declaration of covenants mutually agree to Landlord and Tenant (the "Declaration") which will (i) impose rules and regulations regarding development and use of the Pensacola Technology Campus, (ii) establish a property owners' association to maintain and govern the Pensacola Technology Campus and assess common maintenance costs to be shared by all owners and operators within the Pensacola Technology Campus and (iii) encumber the Pensacola Technology Campus with mutually beneficial restrictions and covenants running with the land for the benefit of the owners and operators of the Pensacola Technology Campus.

E. Landlord shall prepare a master development agreement governing the development of the Remaining Campus (the "**Master Development Agreement**") mutually agree to Landlord and Tenant.

NOW, THEREFORE, for and in consideration of the premises hereof, the sums of money to be paid hereunder, and the mutual and reciprocal obligations undertaken herein, the parties hereto do hereby covenant, stipulate and agree as follows:

1. **DEFINITIONS.** Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in **Exhibit A** attached hereto.

2. **AGREEMENT TO LEASE.**

2.1. **Demise.** Landlord, for and in consideration of the Rents required to be paid by Tenant and of the covenants, promises and agreements of Tenant herein contained, does hereby lease unto Tenant, and Tenant, for and in consideration of the foregoing demise by Landlord and of the covenants, promises and agreements of Landlord herein contained, does hereby lease as Tenant from Landlord, the Premises for the Term and for the Permitted Use, and for no other use or purpose, and on those terms and conditions hereinafter specified in this Lease.

2.1.1 **Tenant's Option to Lease Additional Lots.** So long as Tenant is not in default hereunder, Tenant (or Pensacola Technology Group LLC, or a joint venture between the two) may for a period of thirty-six (36) months from the Commencement Date lease additional lots within the Remaining Campus, on the same terms as provided

for Tenant's original lease hereunder of the Premises. Any such additional lots to be leased by Tenant shall be used for purposes of constructing additional commercial structures (and not surface parking which is described below), all in furtherance of the objectives to create high-tech/high-wage jobs in the target industries specified in that certain Interlocal Agreement dated February 21, 2008 and recorded in Escambia County Official Records Book 6308 Page 1064 (the "2008 Interlocal Agreement"). Further, any such additional lots so leased by Tenant shall be subject to Landlord's approval which shall not be unreasonably withheld. Tenant's option to lease additional lots notwithstanding, Landlord may continue to lease the lots of the Remaining Campus without any obligation to seek approval of nor compensation owed to Tenant during such thirty-six (36) month option period, so long as any such lot is not then being added to Tenant's leased Premises as provided hereinabove.

2.1.2 Notice to Landlord. If Tenant desires to so lease additional lots, Tenant shall provide Landlord written notice of such intent before expiration of the thirty-six (36) month option period; and shall further enter into a written lease with Landlord on or before twenty (20) days after such notice. Any lot specified in such notice shall not be subject to leasing to another party by Landlord until the expiration of twenty (20) days following such notice.

2.1.3 Landlord's Approval. Tenant's right to lease additional lots on the same terms as the original three (3) lots provided for hereinabove is subject to Landlord's approval which shall not be unreasonably withheld. The parties acknowledge that Landlord may refuse to approve such leasing of additional lots by Tenant if such were to interfere with Landlord's ability (but not obligation) to provide parking (including without limitation construction of a parking deck if Landlord so desires) for the benefit of the Pensacola Technology Park; or if the proposed use or structure were to be in Landlord's sole discretion inconsistent or incompatible with the Pensacola Technology Campus objectives as expressed in the 2008 Interlocal Agreement; and the refusal of Landlord in any such circumstance shall be regarded as reasonable.

2.1.4 Existing Surface Parking. The Pensacola Technology Campus currently offers surface parking in one or more surface lots adjacent to or nearby the Premises to be leased by Tenant, and which is regarded as common area of the Pensacola Technology Campus. Landlord agrees to allow Tenant and its subtenants, employees, agents and invitees to use such surface lot for parking incidental to accessing Tenant's Building, so long as such use does not unreasonably interfere with Landlord's use and enjoyment of such surface lot. Tenant acknowledges that future owners and participants within the development may also use surface parking, and that it is not exclusive to Tenant. Tenant further acknowledges and agrees that Tenant's rights to use the surface lots may be terminated by Landlord in the future.

2.1.5 Tenant's Additional Surface Parking. Tenant may construct at its own expense surface parking within the Pensacola Technology Campus on lots that it has leased from Landlord (other than lots leased for purposes of constructing additional commercial structures in furtherance of the objectives of the 2008 Interlocal Agreement), upon mutual agreement between Landlord and Tenant as to rental amount, term and location; all in a manner which shall not hinder or interfere with Landlord's ability to further lease, develop and complete the Pensacola Technology Campus.

2.2. Premises. Tenant shall accept the Premises in its condition as of the expiration of the Inspection Period as set out in Addendum 1 to this Lease, ***subject to all applicable laws, ordinances, regulations, covenants and restrictions.*** Landlord has made no representation or warranty as to the suitability of the Premises for the use contemplated by Tenant or the conduct of Tenant's business and Tenant waives any implied warranty that the Premises are suitable for Tenant's intended purposes. The taking of possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken except for items that are Landlord's responsibility under Section 4.1.

2.3. Quiet Enjoyment. Landlord covenants and agrees that so long as Tenant shall timely pay all Rents due to Landlord from Tenant and keep, observe and perform all of its covenants, promises and agreements hereunder, Tenant shall and may peacefully and quietly have, hold and occupy the Premises free of any interference from Landlord, subject to each of the terms, provisions and conditions of this Lease.

3. **TERM.**

3.1. **Term; Commencement Date.** Unless sooner terminated as provided elsewhere in this Lease, the Term of this Lease shall be as set forth in **Exhibit A** of this Lease. The Term shall commence at 12:01 a.m. on the Commencement Date and shall cease, terminate and expire at 11:59 p.m. on the Termination Date.

3.2. **Possession.**

3.2.1. It is presently contemplated that possession of the Premises shall be delivered to and accepted by Tenant on or about the Projected Possession Date, subject to the terms and provisions of this Lease. However, Landlord can give no assurance as to the actual Possession Date, and Landlord shall have no liability to Tenant for any delays in the date on which possession of the Premises is delivered to Tenant.

3.2.2. Once the actual Commencement Date has been established as set forth in **Exhibit A** of this Lease, Landlord shall prepare and Tenant shall execute a Statement of Commencement of Lease Term, setting forth the Commencement Date and the Termination Date of the Lease, affirming that the Lease is in full force and effect and that Tenant is in possession of the Premises, and certifying that Tenant has accepted the Premises in the condition in which the Premises existed on the Possession Date; provided, however, that the failure to execute such Statement of Commencement of Lease Term by either party shall not affect the rights and/or obligations of the parties hereunder or the establishment of the Commencement Date or the Termination Date.

3.2.3. Notwithstanding the foregoing, Tenant and Landlord acknowledge and agree that this Lease is binding upon them as of the Execution Date, and all obligations of Tenant, other than the obligation to pay Rents, shall commence as of the Execution Date.

4. **CONSTRUCTION ON THE PREMISES.**

4.1. **Landlord's Work.** This Lease involves unimproved real estate and Landlord is only responsible for the limited improvements more particularly described in **Exhibit C** attached hereto (the "Landlord's Work"). Except for the Landlord's Work, Tenant agrees the acceptance of the Premises and any systems and equipment serving the Premises shall be "as is," without any agreements, representations, understandings or obligations on the part of Landlord to perform any further alterations, repairs or improvements and shall further constitute a waiver and release by Tenant of any claim or cause of action for damages from Landlord resulting from any error or omission.

4.2. **Tenant's Construction.** Tenant shall construct and install the Tenant Improvements on the initial three-lot Premises in accordance with the site plans and detailed building drawings and plans and specifications set forth in **Schedule 4.2** attached hereto (the "Plans and Specifications"). Tenant shall promptly, at its sole cost and expense, seek and obtain all necessary building permits and governmental approvals required to enable Tenant to construct Tenant's Improvements (the "Groundbreaking"). Should Tenant fail to commence construction on or before April 30, 2017, (the "Groundbreaking Deadline"), Landlord may (i) extend the Groundbreaking Deadline or (ii) terminate this Lease. Should Tenant fail to so commence construction by the expiration of any extended Groundbreaking Deadline, this Lease shall be deemed terminated. Tenant shall cause all of Tenant's Improvements to be completed and a certificate of completion issued on or before the Tenant Improvements Completion Date. Tenant warrants and represents to Landlord that all such Tenant's Improvements will be performed in a good workmanlike manner and in conformance with all applicable laws, ordinances, rules and regulations of all governmental authorities including the ADA and any orders, judgments, codes, permits, licenses (collectively, "Legal Requirements") and such applicable covenants and restrictions set forth in the Declaration.

For any additional lots leased by Tenant for purposes of constructing additional commercial structures (and not surface parking as described below), all in furtherance of the objectives to create high-tech/high-wage jobs in the target industries specified in the 2008 Interlocal Agreement, Tenant shall promptly, at its sole cost and expense, seek and obtain all necessary building permits and governmental approvals required to enable Tenant to construct Tenant's Improvements on such additional lots, on or before on or before ninety (90) days after adding such additional lots to the Premises lease by Tenant, failing which Landlord may (i) extend such deadline or (ii) terminate Tenant's right to so lease such additional lots.

4.3. Construction Schedule. Prior to the commencement of Tenant's Improvements, Tenant shall furnish to Landlord a construction schedule and thereafter shall promptly notify Landlord of any substantial changes therein.

4.4. No Mechanic's Liens. All of Tenant's Improvements shall be performed at Tenant's cost and expense, free of any expense to Landlord and of any mechanics or materialman's liens (or other similar lien) on Landlord's fee simple interest or on Tenant's leasehold interest in the Premises.

4.5. Completion. Upon substantial completion of Tenant's Improvements, Tenant shall procure and provide Landlord with a copy of: (i) a certificate of completion from the appropriate governmental authorities verifying the substantial completion thereof; (ii) a Florida waiver and release of lien upon final payment pursuant to Florida Statute 713.20 from the contractor performing the alterations and (iii) proof of payment for all labor and materials. Within 60 days following completion of Tenant's Improvements, Tenant shall deliver to Landlord a complete set of "as built" drawings for the Premises detailing all of Tenant's Improvements.

4.6. Indemnification. Tenant shall, and hereby agrees to, indemnify, defend, save and hold Landlord harmless from and against, and reimburse Landlord for, any and all obligations, damages, injunctions, suits, fines, penalties, demands, claims, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including Attorneys' Fees and court costs), arising from the Tenant's Improvements and the construction thereof, whether caused by or the fault of Tenant or any contractor, subcontractor, laborer, supplier, materialmen or any other third party acting, directly or indirectly, on behalf of Tenant except for damages or liabilities which arise as a direct result of the gross negligence of Landlord or Landlord's contractors *unless* such damages or liabilities are a result of Tenant's failure to comply with its obligations under this Lease or is performed at the request of Tenant.

4.7. Title to Tenant Improvements and Personality.

(i) Landlord acknowledges and agrees that title to (i) all improvements comprising the Tenant Improvements, including, but not limited to, all buildings, structures, Building Systems, as defined in (iv) below, fixtures, utility lines, pipes, connections and other infrastructure constructed or installed on the Premises by Tenant, other than the utility lines, connections and other infrastructure which Tenant is required to transfer by any governmental authority to any governmental authority or to Landlord and (ii) any and all equipment, furniture, furnishings, appointments and other personal property to be located therein, regardless of whether such items are affixed or attached to the Property in any manner (collectively, the "**Personalty**"), whether now or hereafter acquired during the Initial Term or any Renewal Term, is and shall remain the sole property of Tenant during the Term. After the date the Term expires or this Ground Lease is terminated if it is terminated prior to the natural expiration of the Term, any Personalty left on the Property shall be deemed to be a part of the Building unless Landlord provides Tenant notice of Landlord's desire that Tenant remove the Personalty from the Property.

(ii) The Property is being leased by Landlord to Tenant, subject to all easements, restrictions and other matters recorded in the public records of Escambia County which encumber the Premises as of the Effective Date, and as may be amended from time to time, which are listed on Exhibit H attached hereto, and any agreements entered into by Landlord that encumber the Premises and future documents of record as long as such future documents (i) do not materially impair Tenant's ability to use the Building for the Permitted Use and (ii) do not materially impair Tenant's other rights under this Lease (collectively, the "**Permitted Exceptions**"). Tenant has the sole right to claim all depreciation with respect to the Tenant Improvements and Personalty during the Term.

(iii) Except as specifically provided herein, upon the expiration or the earlier termination of this Lease, title to the Tenant Improvements and any Personalty that Tenant has not removed from the Premises within the time period permitted for such removal shall automatically be transferred to Landlord or if Landlord requests, transferred by bill of sale or other documents reasonably requested by Landlord.

(iv) If and when Tenant transfers the Tenant Improvements to Landlord, Tenant shall represent and warrant the following: (a) Tenant owns the Tenant Improvements, (b) no other party holds a lien or any other interest related to the Tenant Improvements, and (c) the Tenant Improvements and the Premises have been maintained as required by this Lease. Tenant shall deliver the Premises and Tenant Improvements to Landlord in good condition, ordinary wear and tear excepted, with all Building Systems (hereinafter defined) in good working order, ordinary wear and tear

excepted. As used herein, the term “**Building Systems**” shall mean the collective reference to the HVAC, mechanical, electrical and plumbing components of the Building; expressly excluding any audio/visual system, any telephone system, any internet system and any security/alarm system in the Building.

(v) Tenant shall cooperate in the execution of any documents (in form and substance reasonably acceptable to Tenant and Landlord) which are deemed desirable by Landlord to confer title to the Tenant Improvements to Landlord, upon expiration or the earlier termination of this Lease.

(vi) Tenant shall hold a leasehold interest in the Property. During the Term, Tenant shall own the Tenant Improvements. In no event shall Tenant be deemed to hold a fee simple interest in the Premises.

5. **UTILITIES.**

5.1. **Utility Availability.** Landlord represents and warrants that at the time of delivery of possession of the Premises to Tenant there shall be available to the Premises lines, pipes or conduits for electric power, “last mile” fiber optic network service, Florida LambdaRail network, telephone, potable water, and sanitary sewer utility services in amounts reasonably sufficient for the conduct of Tenant’s Permitted Use. Tenant shall be responsible for any “tap in” impact or connection fees and deposits for the use of said utilities at the Premises. If additional or special utility services are required for the conduct of the business contemplated by this Lease to be operated and conducted by Tenant from the Premises, the cost thereof shall be borne by Tenant and shall be paid by Tenant to Landlord prior to Tenant’s occupancy of the Premises.

5.2. **Utility Services.** Tenant shall and hereby agrees to make all appropriate applications and arrangements for utility services required to serve the Premises and, to the extent necessary or applicable, for separate utility meters serving the Premises, directly with those utility companies and authorities providing such utilities to the Premises. Tenant shall pay all costs, expenses, fees, charges and deposits required by such utility companies and authorities as a condition to their providing such utility services to the Premises and associated with obtaining, installing, repairing, maintaining and replacing the meters.

5.3. **Payment for Utility Services.** Tenant shall be solely liable and responsible for, and shall pay directly to such utility companies, all bills for utility services, including water, gas, electricity, heat, light, power, fiber optic data, telephone, sewer, sprinkler services, refuse and trash collection, and any other utility provided to and consumed and used on, at, in and from the Premises, and any storm sewer charges or other similar charges for utilities imposed by any governmental entity or utility provider, together with any taxes, penalties, surcharges or the like pertaining to Tenant’s use of the Premises.

5.4. **Interruption of Utility Services.** Landlord shall have no liability or responsibility for any loss or damage occasioned by any interruption or cessation in the supply of any utility services to the Premises. No such interruption or cessation of utility services shall relieve Tenant of any of its duties and obligations pursuant to this Lease, including its obligation to pay all Rents as and when the same shall be due.

5.5. **Discharge of Hazardous Sewage Prohibited.** Tenant shall not discharge into any sanitary sewer system or otherwise unlawfully dispose of any toxic or Hazardous Substance, hazardous sewage or waste. Tenant agrees to indemnify, defend, save and hold Landlord harmless from and against, and reimburse Landlord for, any and all obligations, damages, injunctions, suits, fines, penalties, demands, claims, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including Attorneys’ Fees and court costs) incurred by Landlord as a result of any breach by Tenant of its obligations set forth in this Section 5.5. Any toxic or hazardous sewage or waste which is produced or generated by Tenant or in connection with the operation of Tenant’s business shall be handled and disposed of as required by and in compliance with all applicable local, state and federal laws, ordinances, rules, regulations, and permits, or shall be pre-treated to the level of domestic wastewater prior to discharge into any sanitary sewer system.

6. **SIGNS.**

6.1. Signs. Tenant agrees may place upon any portion of the Premises and Building any signs, words, names or trademarks (collectively, "Signs") and may change, modify or alter any Signs at its discretion, so long as such Signs shall conform to the standards set forth in, or adopted in accordance with the Declaration.

6.2. Maintenance of Signs. Tenant agrees to keep and maintain any and all Signs erected, placed or installed by it upon the Premises or the Building, including all mechanical and electrical components thereof, in a neat, clean and orderly fashion and in good condition and repair.

6.3. Removal of Signs. Unless otherwise notified by Landlord, at the end of the Term or earlier termination of this Lease, Tenant shall, at its expense, remove all of its Signs and repair any damage to the Premises caused by such removal.

7. USE AND OPERATION OF PREMISES.

7.1. Permitted Use. Tenant acknowledges that Landlord's construction of the Pensacola Technology Park was conditioned upon Landlord's objective to create high-tech/high-wage jobs in the target industries specified in the 2008 Interlocal Agreement. Tenant agrees that throughout the Lease Term beginning on the Commencement Date the Tenant Improvements shall be operated as and continuously used only for the permitted use set forth on **Exhibit A** and for such other lawful purposes as may be incidental thereto (collectively, "Permitted Use"). Tenant and Space Tenant shall use and occupy the Premises in compliance with all Legal Requirements now or hereafter applicable to the Premises. Tenant may, at its expense, make any alterations or modifications, within or without the Premises, that are required by Legal Requirements related to Tenant's or Space Tenant's use or occupation of the Premises. Any occupation of the Premises by Tenant prior to the Commencement Date shall be subject to all obligations of Tenant under this Lease. All uses shall also conform to the Declaration.

7.2. Covenant of Commencement and Continuous Operation. With respect to the Premises, Tenant agrees to open on or before _____.

8. ENVIRONMENTAL COMPLIANCE.

8.1. Environmental Site Assessment. Landlord and Tenant hereby acknowledge that Tenant has performed all environmental due diligence desired by Tenant with respect to the Premises and surrounding areas. Any contamination by Hazardous Substance or Materials located in, on or under the Premises or any violations of Applicable Laws arising or occurring after the Effective Date is the responsibility of Tenant.

8.2. Definitions. For purposes hereof, the following definitions shall apply: (i) "**Environmental Law**" means and includes the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA" or the Federal Superfund Act) as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA") 42 U.S.C., Sections 9601-9675; the Federal Resource Conservation and Recovery Act of 1976 ("RCRA"); the Clean Water Act, 33 U.S.C., Section 1321, et seq.; the Clean Air Act, 42 U.S.C., Section 7401, et seq., all as the same may be from time to time amended and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment, including, without limitation, all regulations promulgated by a regulatory body pursuant to any such statute, law or ordinance; and (ii) "**Hazardous Substance or Materials**" means asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, chemical waste, radioactive materials, explosives, known carcinogens, petroleum products or other dangerous, toxic, or hazardous pollutant, contaminant, chemical, material or substance defined as hazardous or as a pollutant or contaminant in, or the release or disposal of which is regulated by, any Applicable Law.

8.3. Environmental Compliance Requirements. Tenant agrees that the Premises and Building will remain free from contamination by Hazardous Substance or Materials in excess of amounts permitted by Environmental Laws and that the Premises and the Building and the activities conducted or to be conducted thereon do not and will not violate any Environmental Laws. Tenant shall not cause or permit the Premises or the Building to be used for the generation, handling, storage, transportation, disposal or release of any Hazardous Substance or Materials except as specifically exempted or permitted at all times under applicable Environmental Laws. Tenant shall not cause or permit the Premises or the Building or any activities conducted thereon to be in violation of any current or future applicable Environmental

Laws. Tenant will promptly notify Landlord of any violation of any Environmental Laws relating to the use of the Premises or the Building or the release or suspected release of Hazardous Substance or Materials in, under or about the Premises or the Building in violation of Environmental Laws, and Tenant shall promptly deliver to Landlord a copy of any notices, filings or permits sent or received by Tenant, or on behalf of Tenant, with respect to the foregoing. Tenant shall have the right to direct decisions regarding remediation activities affecting the Premises or the Building which are the responsibility of Tenant under this Lease all of which shall be performed at Tenant's cost, but Landlord shall have reasonable input into decisions regarding remediation activities. Notwithstanding the foregoing, in no event is Tenant entitled to agree to any lesser clean-up standard than is required by Applicable Law (without reliance on any risk based corrective action measures) or to any limitation on use that would bind the Premises or the Building following the expiration of the Term without Landlord's consent, which may be withheld in Landlord's sole and absolute discretion. In the event Landlord suffers any claims or loss pursuant to this Section 8.3, Tenant shall immediately reimburse Landlord hereunder, any such amounts shall constitute Additional Rent due from Tenant to Landlord, and are due and payable in full within thirty (30) days following receipt of written notice. Tenant's liability under this Section 8.3 for matters existing on or prior to the expiration or termination of this Lease shall survive the expiration or any termination of this Lease.

9. **SECURITY.**

9.1. **Security.** Prior to commencement of the Tenant Improvements work by Tenant at or on the Premises, Tenant shall provide the payment and performance ("P&P Bonds") procured by the Contractor. All P&P Bonds shall be issued on behalf of Tenant, Landlord and any Leasehold Mortgagee. The P&P Bonds will cover the faithful performance of the Tenant Improvements general construction contract with the general contractor and subcontractors holding contracts in excess of \$500,000, and the payment of all obligations in the full amount of the construction contract with the general contractor.

10. **RENT.**

10.1. **Rent.** Each Lease Year throughout the Term, Tenant shall pay to Landlord, without demand, deduction or set-off, as Rent hereunder a combination of Base Rent and Additional Rent. All payments of Rent shall be made by check payable to Landlord mailed or delivered to Landlord at the address specified in **Exhibit A** or to such other person or at such other address as Landlord may hereafter designate by written notice to Tenant.

10.2. **Base Rent.** Tenant shall and hereby agrees to pay to Landlord Base Rent in the amount set forth in **Exhibit A** during each Lease Year. The Base Rent shall be payable in advance on or before the Rent Commencement Date and on or before each anniversary the Rent Commencement Date thereafter during the Lease Term. TENANT AGREES TO PAY LANDLORD BASE RENT WHETHER OR NOT TENANT RECEIVES A RENTAL INVOICE FROM LANDLORD. FAILURE BY LANDLORD TO TIMELY CALCULATE ANY ADJUSTMENT TO ANNUAL RENT, WHETHER UPON EXTENSION OR ASSIGNMENT AND TRANSFER OF THE LEASE AND BUILDING TO ANY ENTITY OTHER THAN PENSACOLA TECHNOLOGY GROUP LLC OR OTHERWISE, SHALL NOT BE CONSIDERED A WAIVER OF THE RIGHT TO SO ADJUST RENT.

In the event Tenant exercises its Extension Option as provided in **Exhibit G**, or if Tenant assigns its rights under the lease or transfers its rights in the Building to any person or entity other than Pensacola Technology Group LLC (or a joint venture between the two), Base Rent payable during the Extension Option Term shall be determined in accordance with the terms and conditions set forth in **Exhibit G** of this Lease.

10.3. **Commencement and Payment of Base Rent.** One full annual installment of Base Rent shall be due and payable on the date of execution of this Lease by Tenant and shall be applied to the first year's Base Rent; a like annual installment of Base Rent shall be due and payable on or before each anniversary following the Rent Commencement Date during the Lease Term hereof.

10.4. **Additional Rent.**

10.4.1. This Lease is a triple net lease. All costs, expenses, and obligations of every kind relating to the Premises (except as otherwise specifically provided in this Lease) shall be considered Additional Rent including, without limitation, (i) all taxes, assessments and governmental charges (collectively referred to as "Taxes"), (ii) repairs and maintenance, (iii) capital improvements, and (iv) insurance, which may arise or become due during the Term shall be paid by Tenant and Landlord shall be indemnified by Tenant against any such costs, expenses and obligations.

10.4.2. If Landlord shall make any expenditure for which Tenant is responsible or liable under this Lease, or if Tenant shall become obligated to Landlord under this Lease for any sum other than Base Rent or Additional Rent as set forth in Section 10.4.1, the amount thereof, together with interest thereon at the Default Rate, shall be deemed to constitute Additional Rent, whether or not the same be so designated, and shall be due and payable by Tenant to Landlord simultaneously with the next succeeding monthly installment of Base Rent or at such other time as may be expressly provided in this Lease for the payment of the same.

10.5. Sales Tax. In addition to the Base Rent, Additional Rent and any other sums or amounts required to be paid by Tenant to Landlord pursuant to the provisions of this Lease, Tenant shall also pay to Landlord the amount of any applicable sales, use or excise tax on any such Rents or other sums or amounts, whether the same be levied, imposed or assessed by the State of Florida or any other federal, state, county or municipal governmental entity or agency. Any such sales, use or excise taxes shall be paid by Tenant to Landlord at the same time that each of the Base Rent, Additional Rent or any other sum or amount with respect to which such taxes are payable are paid by Tenant to Landlord.

10.6. Past Due Rent. If Rents or any other sums due by Tenant to Landlord under or pursuant to this Lease are not received within 10 days after its due date, such unpaid amounts shall bear interest at the Default Rate and, in addition, Tenant shall pay on each occasion as Additional Rent a service charge equal to 5% of the past due sum for the inconvenience of the collection and processing of late payments. Such service charge and interest payments shall be Additional Rent and shall not be deemed consent by Landlord to late payments, nor a waiver of Landlord's right to insist upon timely payments at any time, nor a waiver of any remedies to which Landlord is entitled as a result of the late payment of Rents.

10.7. Survival. The provisions of this Article 10 which, by their context or application, are intended to do so, shall survive the expiration or earlier termination of this Lease.

11. INSURANCE.

11.1. Insurance by Tenant. Throughout the Lease Term, Tenant shall, at its sole cost and expense, maintain in full force and effect the following types and amounts of insurance coverage:

11.1.1. Liability Insurance. Tenant shall provide and keep in full force and effect a policy or policies of commercial general liability (including broad form contractual) and property damage insurance with each providing coverage against liability for personal injury, death and property damage having a combined single limit of not less than \$_____ with respect to injuries, deaths or damages in any one occurrence. Said insurance, and any and all other liability insurance maintained by Tenant in excess of or in addition to that required hereunder, shall include protection for, and, in addition to Tenant, shall name as an additional insured Landlord (and, if such insurance providing protection for the following is available, Landlord's parent company, their related, affiliated and subsidiary companies, and the officers, directors, agents, employees and assigns of each) and any lender hereafter holding any interest in Premises, the effect of which will insure it (and, if available, them) in respect of any and all loss or liability resulting from personal injury, death or property damage arising or occurring upon, or in connection with, or by reason of the use and occupancy of the Premises or by reason of the operation of the business conducted by Tenant upon, within and from the Premises (and, if insurance covering the acts or omissions of the following is available, by any person controlling, controlled by or under common control with Tenant or by Tenant's subtenants and concessionaires). Prior to any Extension Option Term, Landlord shall have the right to specify higher liability limits or additional insurance coverage to meet reasonably anticipated loss exposure, or to reflect changes in the value of the Premises.

11.1.2. Intentionally Omitted.

11.1.3. Builder's Risk Insurance. Tenant shall, prior to the commencement of and during the construction of Tenant's Improvements on the Premises, and as often a Tenant may construct, replace, reconstruct, restore or make a substantial alteration to, any improvement thereon, provide and keep in full force and effect builders' risk insurance in accordance with the requirements of this Article 11 for the full replacement cost of such work.

11.1.4. Property Damage Insurance. Tenant shall provide and keep in full force and effect a policy of fire, windstorm, flood and extended coverage insurance in an amount adequate to cover the replacement cost of Tenant's Improvements and all other interior improvements made by Tenant in the Premises and Tenant's fixtures, inventory and other contents located in the Premises from time to time covering loss occasioned by fire, windstorm, vandalism, malicious mischief, sprinkler leakage and other hazards and/or casualties including special extended coverage and said insurance shall include coverage against water damage to the Tenant's Improvements and personal property of Tenant.

11.1.5. Umbrella Policy. Tenant shall provide and keep in full force and effect an umbrella liability insurance policy or policies providing coverage against liability for personal injury, death and property damage having a combined single limit of not less than \$_____ with respect to injuries, deaths or damages in any one occurrence. Tenant also agrees to maintain a personal umbrella liability policy in an amount not less than \$_____ which policy shall comply with all provisions hereof including the requirement to name Landlord an additional insured.

11.1.6. Other Insurance. Tenant shall provide, keep and maintain in full force and effect such other insurance for such risks and in such amounts as may from time to time be commonly insured against in the case of business operations similar to those contemplated by this Lease to be conducted by Tenant at, in and from the Premises, and as otherwise required by the Declaration.

11.2. Carriers and Features. All insurance policies required to be carried by Tenant as provided in this Article 11 shall be issued by fiscally responsible insurance companies (having a Best Rating of not less than A) authorized and licensed to do business in the State of Florida and each policy shall provide that it is primary, noncontributory insurance as respects any other valid and collectible insurance which Tenant or Landlord may possess and that any other insurance which either does possess shall be considered excess insurance only. All such policies shall be for periods of not less than one year and Tenant shall renew the same at least 30 days prior to the expiration thereof. All such policies shall include the insurer's unconditional agreement to provide not less than 30 days' written notice to Landlord prior to any cancellation thereof or any change reducing coverage thereunder.

11.3. Payment of Premiums. Tenant shall pay the premiums for all insurance policies which Tenant is obligated to carry under this Article and, at least five days prior to the date any such insurance must be in effect, deliver to Landlord a copy of the policy or policies, or a certificate or certificates thereof.

11.4. Blanket Policies. Any insurance coverage required by this Article 11 may be effected by means of a policy or policies of blanket insurance covering the Premises and other premises; provided, however, that any such blanket policy shall specify therein, or Tenant shall furnish Landlord with a written statement from the insurer or its agent specifying, the amount of the total insurance allocated to the Premises and confirmation that losses occasioned by Tenant at other facilities will not diminish the amount of insurance coverage available for the Premises below the amount required herein.

11.5. Failure to Procure Insurance. In the event Tenant shall fail to procure insurance required under this Article 11 and/or shall fail to maintain the same in full force and effect continuously during the Term of this Lease, Landlord shall be entitled, but shall not be obligated, to procure the same and Tenant shall immediately reimburse Landlord for such premium expense, with interest, as Additional Rent. Additionally, Landlord shall have the right, at Landlord's option, to treat such failure by Tenant to procure required insurance as an Event of Default hereunder.

11.6. Waiver of Subrogation. Tenant agrees that, if any property located in the Premises shall be stolen, damaged or destroyed by an insured peril, Landlord shall have no liability to Tenant, nor to any insurer of Tenant, for or in respect of such theft, damage or destruction, and Tenant shall require all policies of risk insurance carried by it on its property in the Premises to contain or be endorsed with a provision in and by which the insurer designated therein shall waive its right of subrogation against Landlord.

11.7. Cooperation. Each of the Landlord and Tenant will cooperate with the other party in connection with the processing of claims and the collection of any insurance proceeds that may be payable in the event of loss or claim under any of the above described policies of insurance and execute and deliver to the insurers such proofs of loss and other documents as may be required for the recovery of the proceeds of any such insurance.

12. **DAMAGE OR DESTRUCTION.** Tenant agrees to provide such insurance coverage as required in this Lease. In the event the Building is damaged ("**Damage**"), Tenant shall give notice to Landlord within five (5) Business Days of such Damage. If the Building has been Substantially Damaged (as defined hereinafter), then within 60 days, or such longer period as is reasonably required under the circumstances (but not to exceed 120 days), following any Damage, Tenant, in its sole and absolute discretion, may elect in writing to rebuild or repair such Damage, at Tenant's expense, or to terminate this Lease. If Tenant fails to timely make such election, then Landlord may send a written notice to Tenant requesting that Tenant make such election. Tenant's failure to respond within 20 days after receipt of such written request shall be deemed to be an election by Tenant not to rebuild or repair such Damage. For purposes hereof, "**Substantially Damaged**" shall mean if the cost of repairing or replacing the same exceeds 50% of their replacement cost immediately prior to the casualty (excluding the value of foundations, footers and paving). If Tenant elects to not rebuild or restore any such Tenant Improvements or part thereof, Tenant agrees to deliver the Premises and Building to Landlord clear of debris, and, at Landlord's option, Tenant shall demolish/remove any improvements remaining on the Premises, or those specified in writing by Landlord, no later than 210 days after the date of the casualty and this Lease shall terminate on the date Tenant completes the demolition/removal but in any event no later than 210 days after the date of the Damage. If the Building is not substantially damaged, Tenant shall promptly rebuild or repair such Damage at Tenant's sole cost and expense. Tenant shall be entitled to adjust, collect and compromise, in its sole discretion, all claims under any applicable insurance policies carried by Tenant, to execute and deliver all necessary proofs of loss, receipts, vouchers and releases required by the insurers and to use any such proceeds as Tenant shall elect in its sole discretion, subject to its obligations under this Article.

13. **ALTERATIONS AND REMOVALS.** During the Term, Tenant shall have the right to make alterations or improvements to the Tenant Improvements; provided Tenant shall pay all costs, expenses and charges thereof and that all work be performed in a safe and good and workmanlike manner and in compliance with Applicable Laws, this Lease and the Declaration.

14. **MAINTENANCE AND REPAIRS.**

14.1. Tenant's Obligation. Tenant shall, at all times during the Term of this Lease, at its sole cost and expense, keep, clean, maintain, repair and replace the Premises, and all improvements thereon and components thereof, in good, clean, sanitary and safe order, condition and repair and comply at all times with the Declaration. In furtherance thereof, Tenant shall make all necessary and desirable repairs and replacements to the Premises, ordinary and extraordinary, however the necessity or desirability for repairs and replacements shall occur, and whether or not necessitated by wear, tear, obsolescence or defects, patent or latent, or otherwise and shall use all reasonable precautions to prevent waste, damage or injury to the Premises.

15. **LANDLORD'S RIGHT TO INSPECT.** Landlord and its agents shall have the right to enter upon the Premises upon not less than 48 hours prior written notice to Tenant, to inspect the operation, sanitation, safety, maintenance and use of the same, or any portions of the same, and to assure itself that Tenant is in full compliance with its obligations under this Lease (but Landlord shall not thereby assume any responsibility for the performance of any of Tenant's obligations hereunder, nor any liability arising from the improper performance thereof). If any investigation or audit detects a violation of Tenant's obligation to comply and to keep the Premises in compliance with the requirements of the Lease, then Tenant shall bear the cost and take whatever action is necessary to comply and bring the Premises into compliance with this Lease, and any fee or cost incurred by Landlord for such investigation or audit shall be borne by Tenant and shall be paid by Tenant as Additional Rent under this Lease on demand by Landlord. Further, if Tenant fails to keep the Premises in compliance with the requirements of this Lease (including the requirement that the Premises be in compliance with the ADA), then Landlord may take whatever action is necessary to bring the Premises into compliance, and Tenant agrees to provide Landlord access to the Premises and pay, as Additional Rent, all costs incurred by Landlord in bringing the Premises into compliance. Landlord, however, shall have no affirmative obligation to bring the Premises into compliance and nothing herein shall be construed as creating such an obligation on Landlord. Tenant shall also comply with any and all inspections conducted pursuant to the Declaration.

16. **ASSIGNMENT, TRANSFER AND LEASEHOLD MORTGAGE.**

16.1. Subject to the provisions of Section 16.2 and other than Tenant's space lease to Space Tenants, Tenant may not assign or sublease this Lease without the prior written consent of Landlord which consent may be withheld in Landlord's sole discretion without regard to any standard of reasonableness. The foregoing notwithstanding, Tenant may assign its rights under this Lease and/or transfer its interest in the Building, in part or in whole, to Pensacola Technology Group LLC (or a joint venture between the two) without Landlord's consent (but in any such event Tenant shall provide Landlord notice of its intent to do so). Tenant shall, in each case of an assignment permitted by Landlord, deliver to Landlord an instrument reasonably acceptable to Landlord in recordable form under the terms of which the assignee of Tenant assumes all of the terms covenants, conditions, commitments, burdens and obligations under this Lease. After delivery by the assigning Tenant to Landlord of the instruments required in connection with such assignment, the assigning Tenant will be relieved of any and all of its liabilities or obligations hereunder, except for the liabilities and payment of amounts due and owing and the cure of any prior default, and Landlord shall look only to such successor Tenant for performance of all of the obligations and liabilities of Tenant under this Lease of every kind and character thereafter to accrue.

16.2 Landlord's Assignment to Investor Group. During the Term and subject to the terms of this Lease, Tenant has the right to assign and transfer its leasehold interest under this Lease to the Investor.

(a) Except as provided below, there shall be no cancellation, surrender or modification of this Lease by Landlord or Tenant without the prior written consent of the Investors, which shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing (but, in any event, subject to a Leasehold Investor's curative rights set forth in paragraphs (c) and (d) of this Section), nothing herein shall be deemed to prohibit Landlord from terminating this Lease in accordance with its terms.

(b) Landlord, upon serving Tenant with any notice of an Event of Default, breach of a covenant or failure to perform, or termination, shall simultaneously serve a copy of such notice on the Investors. In the event Landlord serves Tenant with a notice of a failure to comply with any term, covenant, condition, or provision hereof, the Investors shall then have the same period after service of the notice on it as is given to Tenant hereunder to remedy or cause to be remedied such failure, and Landlord shall accept performances by or at the instigation of the Investors as if it had been done by Tenant. Any notice required to be given to the Investors shall be posted in the United States mail, postage prepaid, certified, return receipt requested (and wired by telegraphic means or transmitted by facsimile transmission) and addressed to the Investors at the address and to the attention of the person designated to Landlord by the Investors to receive copies of such notices and shall be deemed to have been served as of the soonest date that one of the said notice (mailed or wired or faxed) is received or refused by the Investors.

(c) In addition to the rights granted to the Investors under paragraph (b) of this Section, the Investors shall have an additional period of ninety (90) days to remedy or cause to be remedied any Event of Default of which it shall receive notice.

(d) If Landlord elects to terminate this Lease upon the occurrence of an Event of Default, the Investors shall also have the right to postpone and extend the date of termination as fixed by the provisions of this Lease for a period of not more than six months from the expiration of the 90 day period specified in subsection (c) hereof, provided that the Investors shall cure the Event of Default under this Lease during such period, and provided further, that the Investors shall forthwith take steps necessary to acquire Tenant's interest and estate in this Lease by exercising its option under the Option Agreement, or otherwise, and shall prosecute such action to completion with due diligence.

17. **LANDLORD'S INTERESTS NOT SUBJECT TO LIENS.**

17.1. **Liens, Generally.** Tenant shall not create or cause to be imposed, claimed or filed upon the Premises, neighboring properties or any portion of Pensacola Technology Campus, or upon the interest of Landlord therein, any lien, charge or encumbrance whatsoever. If, because of any act or omission of Tenant, any such lien, charge or encumbrance shall be imposed, claimed or filed, Tenant shall, at its sole cost and expense, cause the same to be fully paid and satisfied or otherwise discharged of record by bonding or otherwise, and Tenant shall indemnify, defend, save and hold Landlord harmless from and against, and reimburse Landlord for, any and all obligations, damages, injunctions, suits, fines, penalties, demands, claims, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including Attorneys' Fees and court costs), resulting or on account thereof and therefrom. In the event that Tenant shall fail to comply with the foregoing provisions of this Section 17.1, Landlord shall, in addition to Landlord's other rights and remedies, have the option of paying, satisfying or otherwise discharging (by bonding or otherwise) such lien, charge or encumbrance and Tenant agrees to reimburse Landlord, upon demand and as Additional Rent, for all sums so paid and for all costs and expenses incurred by Landlord in connection therewith, together with interest thereon, until paid.

17.2. **Construction Liens.** Landlord's interest in the Premises shall not be subjected to liens of any nature by reason of Tenant's construction, alteration, repair, restoration, replacement or reconstruction of any improvements on or in the Premises, including those arising in connection with or as an incident to the construction of Tenant's Improvements, or by reason of any other act or omission of Tenant (or of any person claiming by, through or under Tenant). All persons dealing with Tenant are hereby placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets (including Landlord's interest in the Premises) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, repair, restoration, replacement or reconstruction thereof by or on behalf of Tenant. Tenant has no power, right or authority to subject Landlord's interest in the Premises, neighboring properties or any portion of Pensacola Technology Campus, to any lien or claim of lien. If a lien, a claim of lien or an order for the payment of money shall be imposed against the Premises or any improvements thereon, therein or thereto, on account of work performed, or alleged to have been performed, for or on behalf of Tenant, Tenant shall, within 30 days after written notice of the imposition of such lien, claim or order, cause the Premises and such improvements to be released therefrom by the payment of the obligation secured thereby or by furnishing a bond or by any other method prescribed or permitted by law. If a lien is released, Tenant shall thereupon furnish Landlord with a written instrument of release in form for recording in the office of the Clerk of the Circuit Court, Escambia County, Florida, and otherwise sufficient to establish the release as a matter of record.

17.3. **Contest of Liens.** Tenant may, at its option, contest the validity of any lien or claim of lien if Tenant shall have first posted an appropriate and sufficient bond in favor of the claimant or paid the appropriate sum into court, if permitted by law, and thereby obtained the release of the Premises, neighboring properties or any portion of Pensacola Technology Campus from such lien. If judgment is obtained by the claimant under any lien, Tenant shall pay the same immediately after such judgment shall have become final and the time for appeal therefrom has expired without appeal having been taken. Tenant shall, at its own expense, defend the interests of Tenant and Landlord in any and all such suits; provided, however, that Landlord may, at its election, engage its own counsel and assert its own defenses, in which event Tenant shall pay all costs and fees incurred therein by Landlord and shall cooperate with Landlord and make available to Landlord all information and data which Landlord deems necessary or desirable for such defense.

18. **EMINENT DOMAIN.** In case of a Taking, as hereinafter defined, or the commencement during the Term of this Lease of any proceedings or negotiations which might result in a Taking, Landlord and Tenant shall give notice thereof to the other. Landlord and Tenant shall have the right to appear in such proceedings and be represented by their respective counsel. Tenant shall be authorized to collect, settle and compromise, in its discretion, the amount of Tenant's award related to the (i) leasehold estate created by this Lease and (ii) the Tenant Improvements. Each of the parties will cooperate in good faith with the other parties in all such proceedings, and to execute any and all documents that may be required in order to facilitate the collection of the maximum award to which each party shall be entitled thereunder. Notwithstanding anything to the contrary set forth in this Section 18, Landlord is prohibited from exercising any power of condemnation it may now or hereafter have and condemning the Premises or the leasehold estate created by this Lease (the "**Ground Lease Estate**") or the Building thereon; and from exercising undue influence on the condemning authority against the Premises, the Ground Lease Estate and any improvements thereon. "**Taking**" shall mean any condemnation, requisition or other taking or sale of the use or occupancy of or title to the Premises, the Ground Lease Estate and/or the Tenant Improvements in, by or on account of any actual or threatened eminent domain proceeding or other action by any governmental authority or other person or entity under the power of eminent domain or otherwise; provided however that Landlord shall be prohibited from exercising any such Taking. A Taking shall be deemed to have occurred on the earliest to occur of the dates that use, occupancy or title is taken.

If at any time during the Term of this Lease there shall be a Taking of the whole or substantially all of the Premises and/or the Tenant Improvements by any governmental entity other than Landlord, then, this Lease shall terminate and expire on the date title is transferred to such Taking entity. No Rent shall be apportioned in connection with such Taking. For the purpose of this section "substantially all of the Premises and/or the Tenant Improvements" shall be deemed to have been taken if the remaining part of the Premises/Tenant Improvements not so taken cannot be adequately restored, repaired or reconstructed, in the reasonable opinion of Tenant, so as to constitute a complete, architecturally sound facility of substantially the same usefulness, design and construction as the Tenant Improvements prior to the Taking.

If this Lease is terminated as a result of such Taking, then Tenant shall at Tenant's election and Tenant's sole discretion either restore the Tenant Improvements on the Property to complete, architecturally sound buildings, or demolish/remove any remaining improvements on the Premises, provided Landlord shall have the right, at its option, to receive ownership of the remaining improvements in their as-is, where-is condition, with all faults (and without representation or warranty, express or implied).

If this Lease is terminated as result of such Taking by any governmental entity other than Landlord, then as between Landlord and Tenant, the parties agree that each shall be entitled to its fair and equitable share of any award or awards which such awards shall be allocated as follows: (a) to Tenant in an amount equal to the fair market value of the Ground Lease Estate and the physical facilities of the Tenant Improvements apportioned to the remaining Term and any Personalty of Tenant so taken; and (b) to Landlord in an amount necessary to compensate it for the fair market value of the Premises (subject to, and burdened by, this Lease for the entire Term and any Renewal Term (it being agreed that such Renewal Terms shall be assumed to have been exercised by Tenant) and excluding improvements apportioned to the remaining Term). If any such awards are made without explicit allocation of an amount representing Tenant's interest under this Lease and/or the Tenant Improvements and Personalty, Landlord and Tenant shall use good faith efforts to agree thereupon. If this Lease shall continue after any such Taking, this Lease shall remain unaffected except that this Lease shall terminate as to the part of the Tenant Improvements so taken (unless such Taking is a temporary taking, in which case this Lease shall terminate with respect to the portion of the Tenant Improvements Taken only so long as it remains taken) and except that Tenant shall, promptly after such Taking and at its expense, restore such improvements to a complete architectural unit.

19. **SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE.**

19.1. **Subordination.** Concurrently with the execution of this Lease, as to each deed of trust, mortgage or other instrument of security, ground lease, master lease or primary lease (collectively, "Encumbrances"), that will affect the Premises, Landlord shall deliver to Tenant a Subordination, Non-Disturbance and Attornment Agreement ("SNDA") substantially in the form attached hereto as **Schedule 19.1** (or such another form reasonably acceptable to Tenant) and providing generally that the mortgagee, beneficiary or lessor under any such Encumbrance (collectively, a "Holder") will not disturb Tenant's possession of the Premises and that Tenant will attorn to such Holder (or purchaser at foreclosure) as Landlord under the terms and conditions of this lease upon receiving written notice that such party has succeeded to the

interest of Landlord under this lease. Landlord may cause this lease and the leasehold estate created hereby to be subject, subordinate and inferior to Encumbrances that subsequently cover all or any part of the Premises or any interest of Landlord therein, and to any and all advances made on the security thereof, and to any and all increases, renewals, modifications, extensions and replacements thereof so long as Landlord provides a SNDA to Tenant, in form reasonably acceptable to Tenant, with respect to each subsequent Encumbrance.

19.2. Intentionally Omitted.

19.3. Intentionally Omitted.

19.4. Intentionally Omitted.

19.5. Intentionally Omitted.

19.6. Right of First Refusal.

19.6.1. In the event that Landlord decides to sell the Premises to a third party (referred to hereinafter as a "Transfer"), Landlord shall provide Tenant with a copy of a bona fide, written offer (the "Offer") from an arms-length third party who proposes to be the transferee (the "Proposed Transferee"), setting forth all of the terms and conditions of the Transfer. Tenant or the Investors shall have the right for a period of 15 days following receipt of the Offer, to elect to acquire the interest proposed to be transferred from Landlord to the Proposed Transferee on the terms and conditions set forth in the Offer (the "Right of First Refusal").

19.6.2. Exercise. Tenant or the Investors may exercise its Right of First Refusal by giving written notice to Landlord, specifying a date not earlier than 30 days and not later than 45 days after the date of Tenant's receipt of the Offer, on which Tenant or the Investors will complete the closing on the Transfer. In the event that Tenant or the Investors do not elect to exercise its Right of First Refusal, Landlord shall be free to complete the Transfer to the Proposed Transferee in accordance with the Offer. If any of the material terms or conditions of the Offer change prior to the closing with the Proposed Transferee, Landlord must give written notice of such change to Tenant, and Tenant or the Investors shall again have a 15 day period during which it may elect to acquire the interest of Landlord proposed to be transferred by Landlord on the terms and conditions set forth in the revised Offer.

19.6.3. Duration. In the event that Tenant or the Investors do not elect to exercise its Right of First Refusal as aforesaid, the Proposed Transferee and every subsequent owner of the Premises (and Landlord, if the original Proposed Transferee fails to complete the closing on the Transfer) shall remain bound by the terms and provisions of this Section 19.6, and any subsequent proposed Transfer shall again give rise to Tenant's (and the Investors') Right of First Refusal to acquire the interest proposed to be transferred, in accordance with the provisions of this Section. The Right of First Refusal shall terminate upon expiration or earlier termination of this Lease.

20. END OF TERM.

20.1. Surrender of Premises. Tenant shall, on the last day of the Term of this Lease or upon the sooner termination thereof, peaceably and quietly surrender and deliver the Premises and all improvements and fixtures thereto, to Landlord in good order, condition and repair, reasonable wear and tear and damage by fire or other casualty excepted, and free and clear of liens and encumbrances.

20.2. Intentionally Omitted.

20.3. Holding Over. If Tenant or any other person or party shall remain in possession of the Premises or any part thereof following the expiration of the Term or earlier termination of this Lease without an agreement in writing between Landlord and Tenant with respect thereto, at the option of Landlord, in addition to any and all other rights and remedies of Landlord, the person or party remaining in possession shall be deemed to be a tenant at sufferance, and during any such holdover, the Rents payable under this Lease by such tenant at sufferance shall be double the rate or rates in effect immediately prior to the expiration of the Term or earlier termination of this Lease. In addition, Tenant agrees to pay monthly: (i) the Landlord's Expenses of the Premises, payable for such month; (ii) the cost of insurance for which

Tenant would have been responsible if this Lease had been renewed on the same terms contained herein; (iii) all sales taxes assessed against such increased rent; and (iv) any and all Additional Rent otherwise payable by Tenant hereunder. In no event, however, shall such holding over be deemed or construed to be or constitute a renewal or extension of this Lease.

21. **INDEMNITY.**

21.1. **Indemnification of Landlord.** Tenant shall defend, indemnify, save and hold the Landlord, and Landlord's Affiliates, and the officers, directors, agents, employees and assigns of each harmless from and against, and reimburse such parties for, any and all obligations, damages, injunctions, suits, fines, penalties, demands, claims, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including Attorneys' Fees and court costs), incurred by the persons hereby required to be indemnified, arising directly or indirectly from or out of:

21.1.1. any failure by Tenant to perform any of the terms, provisions, covenants or conditions of this Lease on Tenant's part to be performed;

21.1.2. any accident, injury or damage which shall happen at, in or upon the Premises, however occurring, except any accident, injury or damage caused by the Landlord's gross negligence;

21.1.3. any matter or thing growing out of the condition, occupation, maintenance, alteration, repair, use or operation by any person of the Premises, or the operation of the business contemplated by this Lease to be conducted thereon, thereat, therein, or therefrom, including the sale of any product, merchandise or service;

21.1.4. any failure of Tenant to comply with any laws, ordinances, requirements, orders, directions, rules or regulations of any governmental authority;

21.1.5. any contamination of the Premises, neighboring property or any portion of Pensacola Technology Campus, occasioned by the handling, installation, use, transportation, treatment, storage, spillage or discharge thereon, therein or therefrom of any Hazardous Materials, by Tenant or by any agent, supplier, customer or invitee of Tenant; or

21.1.6. any discharge of toxic or hazardous sewage or waste materials from the Premises by Tenant or by any agent, supplier, customer or invitee of Tenant.

Tenant's indemnity obligations under this Section 21.1 and elsewhere in this Lease arising prior to the expiration, termination or assignment of this Lease shall survive any such expiration, termination or assignment.

21.2. **Notice of Claim or Suit to Landlord.** Tenant shall promptly notify Landlord of any claim, action, proceeding or suit instituted or threatened against Landlord of which Tenant receives notice or of which Tenant acquires knowledge. In the event Landlord is made a party to any action for damages or other relief against which Tenant has indemnified Landlord, Tenant shall defend Landlord, pay all costs and shall provide effective counsel to Landlord in such litigation or, at Landlord's option, shall pay all Attorneys' Fees incurred by Landlord in connection with its own defense or settlement of said litigation.

21.3. **Indemnification of Tenant.** Landlord shall defend, indemnify, save and hold the Tenant, and Tenant's Affiliates, and the officers, directors, agents, employees and assigns of each harmless from and against, and reimburse such parties for, any and all obligations, damages, injunctions, suits, fines, penalties, demands, claims, costs, expenses, actions, liabilities, suits, proceedings and losses of whatever nature (including Attorneys' Fees and court costs), incurred by the persons hereby required to be indemnified, arising directly or indirectly from or out of:

21.3.1. any failure by Landlord to perform any of the terms, provisions, covenants or conditions of this Lease on Landlord's part to be performed;

21.3.2. any failure of Landlord to comply with any laws, ordinances, requirements, orders, directions, rules or regulations of any governmental authority;

21.3.3. any contamination of the Premises, neighboring property or any portion of Pensacola Technology Campus, occasioned by the handling, installation, use, transportation, treatment, storage, spillage or discharge thereon, therein or therefrom of any Hazardous Materials, by Landlord, another tenant of Landlord or by any agent, supplier, customer or invitee of Landlord; or

21.3.4. any discharge of toxic or hazardous sewage or waste materials onto the Premises whether by Landlord or another tenant of Landlord or by any agent, supplier, customer or invitee of Landlord.

Landlord's indemnity obligations under this Section 21.3 and elsewhere in this Lease arising prior to the expiration, termination or assignment of this Lease shall survive any such expiration, termination or assignment.

21.4. Notice of Claim or Suit to Tenant. Landlord shall promptly notify Tenant of any claim, action, proceeding or suit instituted or threatened against Tenant of which Landlord receives notice or of which Landlord acquires knowledge. In the event Tenant is made a party to any action for damages or other relief against which Landlord has indemnified Tenant, Landlord shall defend Tenant, pay all costs and shall provide effective counsel to Tenant in such litigation or, at Tenant's option, shall pay all Attorneys' Fees incurred by Tenant in connection with its own defense or settlement of said litigation.

22. DEFAULT, LANDLORD'S LIEN.

22.1. Event of Default. Each of the following events shall be an "Event of Default" hereunder by Tenant and shall constitute a breach of this Lease and shall be subject to the notice provisions set forth in Section 22.7 hereof (except as may be expressly stated therein):

22.1.1. If, at any time during the Term of this Lease, Tenant shall file in any court, pursuant to any statute of either the United States or of any State, a petition in bankruptcy or insolvency, or for reorganization or arrangement, or for the appointment of a receiver or trustee of all or any portion of the Tenant Improvements or Tenant's leasehold interests in Premises, or if Tenant shall make an assignment for the benefit of its creditors or petitions for or enters into an arrangement with its creditors.

22.1.2. If, at any time during the Term of this Lease, there shall be filed against Tenant in any courts pursuant to any statute of the United States or of any State, a petition in bankruptcy or insolvency, or for reorganization, or for the appointment of a receiver or trustee of all or a portion of the Tenant Improvements or Tenant's leasehold interest in the Premises, and any such proceeding against Tenant shall not be dismissed within 90 days following the commencement thereof.

22.1.3. If Tenant's leasehold interest in the Premises or property therein shall be seized under any levy, execution, attachment or other process of court where the same shall not be vacated or stayed on appeal or otherwise within 90 days thereafter, or if Tenant's leasehold interest in the Premises is sold by judicial sale and such sale is not vacated, set aside or stayed on appeal or otherwise within 90 days thereafter.

22.1.4. If Tenant shall fail to pay, when due, any Rents payable hereunder or portion thereof, or any other sum due to Landlord from Tenant hereunder, within 15 days after receipt of written notice from Landlord of such failure to pay.

22.1.5. If Tenant shall do, or permit anything to be done, whether by action or inaction, contrary to any other covenant or agreement on the part of Tenant herein contained or contrary to any of Tenant's obligations under this Lease, including any obligations of Tenant under the Declaration, or shall fail in the keeping or performance of any of Tenant's obligations under this Lease, including its obligations under any Declaration (other than those referred to in the foregoing Sections 22.1.1, 22.1.2, 22.1.3 and 22.1.4).

22.2. Remedies. If an Event of Default shall occur, then and in addition to any other rights or remedies Landlord may have under this Lease and at law or in equity, Landlord shall have the following rights subject to the law of the State of Florida:

22.2.1. Without terminating this Lease, to accelerate the whole or any part of the Rent and other charges, payments, costs and expenses herein agreed to be paid by Tenant for the entire unexpired balance of the Term of this Lease, and any Rent, other charges, payments, costs and expenses if so accelerated shall, in addition to any and all installments of Rent already due and payable and in arrears, and/or any other charge, expense or cost herein agreed to be paid by Tenant which may be due and payable and in arrears, be deemed due and payable as if, by the terms and provisions of this Lease, such accelerated Rent and other charges, payments, costs, and expenses were on that date payable in advance.

22.2.2. After use of appropriate summary process, to enter the Premises and proceed to have sold the goods, chattels and personal property there found. Tenant shall pay all costs and officer's commissions, including watchmen's wages and sums chargeable to Landlord and any sums chargeable according to state law as commissions to the constable or other person making the levy, and in such case all costs, officer's commissions and other charges shall immediately attach and become part of the claim of Landlord for Rent, and any tender of Rent made without said costs, commissions and charges shall not be sufficient to satisfy the claim of Landlord.

22.2.3. After use of appropriate summary process, to re-enter the Premises and without further demand or notice, remove all persons and all or any property therefrom, by summary eviction proceedings or by any suitable action or proceeding at law, without being liable to indictment, prosecution or damages therefor, and repossess and enjoy the Premises, together with all Alterations, fixtures, Signs and other installations of Tenant. Upon recovering possession of the Premises by reason of or based upon or arising out of a default on the part of Tenant, Landlord may, at Landlord's option, either terminate this Lease or make such alterations and repairs as may be necessary in order to relet the Premises and relet the Premises or any part or parts thereof for the account of Tenant, either in Landlord's name or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the Term of this Lease and at such Rents and upon such other terms and conditions as in Landlord's reasonable discretion may seem advisable and to such person or persons as may in Landlord's discretion seem best; upon each such reletting all Rents received by Landlord from such reletting shall be applied: first, to the payment of any costs and expenses of such reletting, including brokerage fees and Attorney Fees and all costs of such alterations and repairs; second, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future Rent as it may become due and payable hereunder. If such rentals received from such reletting during any month shall be less than that 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 re-entry or taking possession of the Premises or the making of alterations and/or improvements thereto or the reletting thereof shall be construed as an election on the part of Landlord to terminate this Lease unless written notice of such intention be given to Tenant. Landlord shall in no event be liable in any way whatsoever for failure to relet the Premises or, in the event that the Premises or any part or parts thereof are relet, for failure to collect the rent thereof under such reletting. Tenant, for Tenant and Tenant's successors and assigns, hereby irrevocably constitutes and appoints Landlord as Tenant's and their agent to collect the Rents due and to become due under all subleases of the Premises or any parts thereof without in any way affecting Tenant's obligation to pay any unpaid balance of Rent due or to become due hereunder. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

22.2.4. To declare a default hereunder and take possession of the Premises without any right on the part of Tenant to waive the forfeiture by payment of any sum due or by other performance of any condition, term or covenant broken. Landlord shall be entitled to recover, in addition to any and all sums and damages for violation of Tenant's obligations hereunder in existence at such time, damages for Tenant's default in an amount equal to the amount of the Rent reserved for the balance of the Term of this Lease, as well as all other charges, payments, costs and expenses herein agreed to be paid by Tenant.

22.2.5. To terminate this Lease and the term hereby created without any right on the part of Tenant to waive the forfeiture by payment of any sum due or by other performance of any condition, term or covenant broken. Landlord shall be entitled to recover, in addition to any and all sums and damages for violation of Tenant's obligations hereunder in existence at the time of such termination, damages for Tenant's default in an amount equal to the amount of the Rent reserved for the balance of the Term of this Lease, as well as all other charges, payments, costs and the expenses herein agreed to be paid by Tenant.

22.3. Right of Injunctive Relief. In the event of a breach or threatened breach by Tenant of any of the terms, covenants, conditions or provisions thereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for.

22.4. Rights Not Exclusive, Additional Remedies. No right or remedy herein conferred upon or reserved to Landlord is intended to be exclusive of any other right or remedy herein or by law provided but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity or by statute. Nothing herein contained shall be construed as precluding the Landlord from having or exercising such lawful remedies as may be and become necessary in order to preserve the Landlord's right or the interest of the Landlord in the Premises and in this Lease, even before the expiration of any notice periods provided for in this Lease, if under the particular circumstances then existing the allowance of such notice periods will prejudice or will endanger the rights and estate of the Landlord in this Lease and in the Premises.

22.5. Intentionally Omitted.

22.6. Calculations of Amounts Due.

22.6.1. For the purpose of calculating the "accelerated Rent" payable under Subsection 22.2.1 and the "Rent reserved for the balance of the Term of this Lease" for the purposes of Subsections 22.2.4 and 22.2.5, the amount payable as Additional Rent for the balance of the Term hereof shall be that amount equal to the product of: (i) the amount of the highest amount paid or payable by Tenant in any prior calendar year during the term of this Lease for each of the foregoing items; multiplied by (ii) the number of calendar years (including any fractional calendar year) remaining in the Term of this Lease.

22.6.2. All such calculations shall be made with respect to the number of Lease Years or calendar years (or portions thereof), as applicable, remaining in the Term, as if the Term had not been terminated early.

22.7. Notice to Tenant. Notwithstanding anything hereinabove stated, Landlord agrees not to exercise any right or remedy provided for in this Lease or allowed by law because of any default of Tenant, other than the collection of late charges and fees and the collection of interest on amounts due and unpaid, unless Landlord shall have first given written notice thereof to Tenant and Tenant, within a period of 15 days after receipt of Landlord's notice shall have failed to pay the sum or sums due if the default consists of the failure to pay any monetary sum required to be paid hereunder, or if the default consists of something other than the failure to pay money, Tenant shall have failed within 30 days of receipt of Landlord's notice (or such shorter time as is expressly provided in this Lease) to correct such default; provided that if such non-monetary default is not curable within such 30 day period, Tenant shall have failed within such 30 day period to begin the correction of the default or thereafter fails actively and diligently and in good faith to proceed with and continue the correction of the default until it shall be fully corrected. Notwithstanding the foregoing, no such notice from Landlord shall be required, nor shall Landlord be required to allow any part of the said cure period, if Tenant shall have filed a petition in bankruptcy or for reorganization or a bill in equity or shall otherwise initiate proceedings for the appointment of a receiver of the Tenant Improvements, or if a receiver or trustee is appointed for Tenant and such appointment and such receivership or trusteeship is not terminated within 30 days, or Tenant makes an assignment for the benefit of creditors or if Tenant is levied upon and is about to be sold out upon the Premises by a sheriff, marshal or constable; and provided further that Landlord shall not be required to give any notice called for by this Section 22.7 more than two times in any 12 month period. Tenant acknowledges and agrees that any breach of the provisions related to Tenant's indemnity obligations shall be deemed to be and treated as a monetary default and shall be cured within fifteen days after receipt of Landlord's notice.

22.8. Notice to Landlord. Landlord shall in no event be in default in the performance of any of its obligations contained in this Lease unless and until Landlord shall have failed to commence to perform such obligation within 15 days after receipt of written notice from Tenant by Landlord properly specifying wherein Landlord has failed to perform any such obligation or shall have failed to proceed thereafter with reasonable diligence to complete such performance within 60 days after commencement to perform such obligation.

22.9. Landlord's Lien. Landlord shall have at all times during the Term of this Lease, a valid lien for all Rents and other sums of money becoming due hereunder from Tenant.

23. **NO ABATEMENT OF RENT.**

23.1. No Abatement. Except as otherwise set forth in this Lease no abatement, diminution or reduction of Rent, charges or other compensation shall be allowed to Tenant or any person claiming under Tenant, and no abatement, diminution or reduction of Tenant's other obligations hereunder shall be allowed to Tenant, under any circumstances whatsoever including inconvenience, discomfort, interruption of business or otherwise by virtue of, or arising out of: (a) the making of alterations, changes, additions, improvements or repairs to the Premises or any other portion of the Premises; (b) any present or future governmental laws, ordinances, requirements, orders, directions, rules or regulations; (c) restoration of the Premises, after damage, destruction or partial condemnation; or (d) any other cause or occurrence. Notwithstanding the foregoing, the Rent shall be abated during any period that the Premises cannot be used for the conduct of the Permitted Use as the result of a grossly negligent act or omission of Landlord, but only if and to the extent that the same would not normally be covered by the types of policies of insurance described in Section 11.1.4.

24. **NOTICES.**

24.1. Notices to Parties. Any notice required or permitted to be given under this Lease shall be deemed given if delivered personally to an officer or general partner of the party to be notified or sent by facsimile, email or United States registered or certified mail, or by national overnight receipted delivery service (e.g., FedEx), postage prepaid, return receipt requested, and addressed to the addressees for notices set forth in **Exhibit A** hereof, or such other address as may be designated by either party by written notice to the other. Except as otherwise provided in this Lease, every notice, demand, request or other communication hereunder shall be deemed to have been given, or served and received upon the earlier to occur of: (i) the date of actual delivery thereof; (ii) the first date on which the United States mail or receipted overnight carrier first attempted to deliver such notice; or (iii) three business days after the date such notice, demand, request or other communication was deposited with an overnight delivery service or the United States mail.

24.2. Refusal of Notice, Change of Address. Notwithstanding anything in this Article 24 to the contrary, any notice mailed to the last designated address of any person or party to which a notice may be or is required to be delivered pursuant to this Lease shall not be deemed ineffective if actual delivery cannot be made due to a change of address of the person or party to which the notice is directed or the failure or refusal of such person or party to accept delivery of the notice.

25. **MISCELLANEOUS.**

25.1. Landlord May Cure Tenant's Defaults. If Tenant shall default in the performance of any term, provisions, covenant or condition on its part to be performed hereunder, Landlord may, but shall not be obligated to, after notice to Tenant and a reasonable time to perform after such notice (or without notice if, in Landlord's reasonable opinion, an emergency exists) perform the same for the account and at the expense of Tenant. If, at any time and by reason of such default, Landlord is compelled to pay, or elects to pay, any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense in the enforcement of its rights hereunder or otherwise, such sum or sums together with interest thereon at the Default Rate, shall be deemed Additional Rent hereunder and shall be repaid to Landlord by Tenant promptly when billed.

25.2. Estoppel Certificates. Either party shall, within 30 days after a request from time to time made by the other party and without charge, give a certification in writing to any person, firm or corporation reasonably specified by the requesting party (in a form similar to **Exhibit E** attached hereto and made a part hereof).

25.3. Limitation on Liability. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS LEASE, NEITHER LANDLORD NOR ANY PRESENT OR FUTURE CONSTITUENT PARTNER IN OR AFFILIATE OF LANDLORD, NOR ANY SHAREHOLDER, OFFICER, DIRECTOR, EMPLOYEE OR AGENT OF ANY CORPORATION THAT IS OR BECOMES A CONSTITUENT PARTNER IN LANDLORD, SHALL BE PERSONALLY LIABLE, DIRECTLY OR INDIRECTLY, UNDER OR IN CONNECTION WITH THIS LEASE, OR

ANY DOCUMENT, INSTRUMENT OR CERTIFICATE SECURING OR OTHERWISE EXECUTED IN CONNECTION WITH THIS LEASE, OR ANY AMENDMENTS OR MODIFICATIONS TO ANY OF THE FOREGOING MADE AT ANY TIME OR TIMES, HERETOFORE OR HEREAFTER, OR IN RESPECT OF ANY MATTER, CONDITION, INJURY OR LOSS RELATED TO THIS LEASE OR THE PREMISES, AND ONLY LANDLORD'S INTEREST IN THE PREMISES (OR PROCEEDS THEREOF) SHALL BE AVAILABLE TO SATISFY ANY CLAIMS AGAINST LANDLORD; AND THE TENANT AND EACH OF ITS SUCCESSORS AND ASSIGNEES WAIVES AND DOES HEREBY WAIVE ANY SUCH PERSONAL LIABILITY. For purposes of this Lease, and any such instruments and certificates, and any such amendments or modifications, neither the negative capital account of any Constituent Partner in Landlord, nor any obligation of any Constituent Partner in Landlord to restore a negative capital account or to contribute capital to Landlord or to any other Constituent Partner in Landlord, shall at any time be deemed to be the property or an asset of Landlord or any such other Constituent Partner (and neither Tenant nor any of its successors or assignees shall have any right to collect, enforce or proceed against or with respect to any such negative capital account or a Constituent Partner's obligation to restore or contribute). A "Constituent Partner" in Landlord shall mean any direct partner in Landlord and any person that is a partner in any partnership that, directly or indirectly through one or more other partnerships, is a partner in Landlord.

25.4. Force Majeure. If the performance by either of the parties of its obligations under this Lease (excluding monetary obligations) is delayed or prevented in whole or in part by any law, rule, regulation, order or other action adopted or taken by any federal, state or local governmental authority (and not attributable to an act or omission of said party), or by any Acts of God, fire or other casualty, floods, storms, explosions, accidents, epidemics, war, civil disorders, strikes or other labor difficulties, shortages or failure of supply of materials, labor, fuel, power, equipment, supplies or transportation, or by any other cause not reasonably within said party's control, whether or not specifically mentioned herein, said party shall not be deemed to be in default hereunder with respect thereto unless such party fails to promptly remedy such lack of performance immediately following the end of such event of force majeure.

25.5. Brokerage. Landlord and Tenant hereby represent and warrant to each other that there is no real estate broker or salesperson involved in this Lease other than the Broker specifically named in **Exhibit A** hereof, if any, and whom a brokerage commission is due pursuant to a separate agreement by and between Landlord and Broker. If a claim for brokerage or similar fees in connection with this Lease is made by any broker, salesperson or finder other than Broker claiming to have dealt through or on behalf of one of the parties to this Lease, then that party shall indemnify, defend and hold the other party under this Lease harmless from all liabilities, damages, claims, costs, fees and expenses whatsoever (including Attorneys' Fees and court costs, including those for appellate matters) with respect to said claim for brokerage or similar fees. Tenant hereby further represents and warrants that Broker has made no verbal agreements, representation, warranties or other understandings regarding this Lease except those which are specifically set forth herein.

25.6. No Partnership or Joint Venture. Landlord shall not, by virtue of this Lease, in any way or for any purpose, be deemed to be a partner of Tenant in the conduct of Tenant's business upon, within or from the Premises or otherwise, or a joint venturer or a member of a joint enterprise with Tenant.

25.7. Entire Agreement; Amendment. This Lease contains the entire agreement between the parties and, except as otherwise provided herein, can only be changed, modified, amended or terminated by an instrument in writing executed by the parties. It is mutually acknowledged and agreed by Landlord and Tenant that there are no verbal agreements, representations, warranties or other understandings affecting the same; and that Tenant hereby waives, as a material part of the consideration hereof, all claims against Landlord for rescission, damages or any other form of relief by reason of any alleged covenant, warranty, representation, agreement or understanding not contained in this Lease.

25.8. Modification. This Lease shall not be changed, amended or modified except by a written instrument executed by duly authorized representatives of both Landlord and Tenant.

25.9. Waiver. No release, discharge or waiver of any provision hereof shall be enforceable against or binding upon Landlord or Tenant unless in writing and executed by Landlord or Tenant, as the case may be. Neither the failure of Landlord or Tenant to insist upon a strict performance of any of the terms, provisions, covenants, agreements and conditions hereof, nor the acceptance of any item by Landlord with knowledge of a breach of this Lease by Tenant in the performance of its obligations hereunder, shall be deemed a waiver of any rights or remedies that Landlord or Tenant

may have or a waiver of any subsequent breach or default in any of such terms, provisions, covenants, agreements and conditions.

25.10. Time. Time is of the essence in every particular of this Lease, including obligations for the payment of money.

25.11. Interest. All arrearage in the payment of Rent, or the repayment to Landlord of any sum which Landlord may have paid to cure or prevent a default of Tenant (as provided elsewhere herein), or in the payment of any other sum due to Landlord as Additional Rent or otherwise, shall bear interest from the date due until paid at the Default Rate.

25.12. Costs and Attorneys' Fees. In the event it shall become necessary for either party to employ the services of an attorney to enforce any of its rights under this Lease, regardless of whether a suit be brought, the non-prevailing party shall pay to the prevailing party the prevailing party's Attorneys' Fees. Should suit be brought for the recovery of possession of the Premises, or for Rent or any other sums due Landlord under this Lease, or because of the alleged default of any of Tenant's covenants under this Lease, the non-prevailing party shall pay to the prevailing party all expenses of such suit and any appeal thereof, including Attorneys' Fees and court costs.

25.13. Waiver of Right of Redemption. Tenant, for itself and for all persons claiming by, through or under it, hereby expressly waives any and all rights which are or may be conferred upon Tenant by any present or future law to redeem the Premises. If Landlord shall acquire possession of the Premises by summary proceedings, or in any other lawful manner without judicial proceedings, it shall be deemed a reentry within the meaning of the word as used in this Lease.

25.14. Captions and Headings. The captions and headings in this Lease have been inserted herein only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of, or otherwise affect the provisions of this Lease.

25.15. Partial Severability. If any term, covenant or condition of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be effected thereby and each term, covenant or condition of this Lease shall be valid and be enforced to the fullest extent permitted by law.

25.16. Successors and Assigns. The agreements, terms, provisions, covenants and conditions contained in this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and, to the extent permitted herein, their respective successors and assigns.

25.17. Venue. The venue of any suit or proceeding brought for the enforcement of or otherwise with respect to this Lease shall always be lodged in Escambia County, Florida.

25.18. Waiver of Jury Trial. LANDLORD AND TENANT HEREBY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, TENANT'S USE OR OCCUPANCY OF THE PREMISES OR ANY CLAIM OF INJURY OR DAMAGE.

25.19. Succession.

25.19.1. Subject to the limitations set forth in this Section 25.19, all rights, obligations and liabilities herein given to, or imposed upon, the respective parties hereto shall extend to and bind the several and respective heirs, executors, administrators, successors and assigns of the said parties; and if there shall be more than one Tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein, and the word "Tenant" shall be deemed and taken to mean each and every person or party mentioned as a Tenant herein, be the same one or more; and if there shall be more than one Tenant, any notice required or permitted by the terms of this Lease may be given by or to any one

thereof, and shall have the same force and effect as if given by or to all thereof. No rights, however, shall inure to the benefit of any assignee of Tenant unless the assignment to such assignee has been approved by Landlord in writing.

25.19.2. The word "Landlord" is used herein to include the Landlord named above and any subsequent owner of the Premises, as well as their respective successors and assigns, each of whom shall have the same rights, remedies, powers, authorities and privileges as it would have had it originally signed this Lease as Landlord.

25.20. Interpretation. It is the intent of the parties hereto that if any term, covenant or condition of this Lease is capable of two interpretations, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which shall render it valid. Printed parts of this Lease shall be as binding upon the parties hereto as other parts hereof. Parts of this Lease which are written or typewritten shall have no greater force or effect than and shall not control parts which are printed, but all parts shall be given equal effect. No meaning shall be attributable to any sections which are "reserved" or "intentionally omitted", nor shall any inference be drawn from any deletion, modification or amendment from any prior draft of this Lease. Tenant declares that Tenant has read and understands all parts of this Lease, including all printed parts hereof. The parties acknowledge and agree that this Agreement has been negotiated "at arm's length" by and between Landlord and Tenant, each having the opportunity to be represented by legal counsel of its choice and to negotiate the form and substance of this Lease and, therefore, in construing the provisions of this Lease neither party will be deemed disproportionately responsible for draftsmanship.

25.21. Recording of Lease/Memorandum of Lease. Tenant shall not record this Lease. Any such recordation by Tenant without Landlord's prior written consent and joinder shall render this entire Lease automatically void and of no further force and effect. Tenant and Landlord hereby agree to execute a Memorandum of Lease in substantially the form set forth in **Exhibit F**.

25.22. Cure by Mortgagees. If any mortgagee shall forward to Tenant written notice of the existence of its mortgage, then Tenant shall, so long as such mortgage is in existence, be required to give to such mortgagee the same notice and opportunity to correct any default as is required to be given to Landlord under this Lease, but such notice of default may be given by Tenant to Landlord and such mortgagee concurrently.

25.23. Accord and Satisfaction. No payments by Tenant or receipt by Landlord of a lesser amount than any payment of Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided for in this Lease or available at law or in equity.

25.24. Representations of Tenant. Tenant represents and warrants to Landlord that all financial, management and operational information regarding Tenant and its principals previously provided to Landlord by Tenant, were and are true and correct and accurately report and depict the financial and operational experience of the entities described therein and do not omit any material facts or information which, if disclosed, might affect a reasonable Landlord's judgment regarding the propriety of entering into this Lease with Tenant.

25.25. Intentionally Deleted.

25.26. Radon Gas Notification. In accordance with the requirements of Florida Statute 404.056, the following notice is hereby given: "RADON GAS: 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 health department."

25.27. Landlord's Rights. Landlord and its designees shall have the right to photograph, take motion pictures of, televise, make miniatures of or otherwise reproduce in any manner or through any media the exterior of the Premises, or any portion thereof, in conjunction with any marketing, publicity, sales or promotional activities relating to Pensacola Technology Campus, or any portion thereof. Landlord may use, sell or license any such pictures or other reproductions for any purpose, commercial or otherwise, both during the Term hereof and after the expiration or sooner termination of this Lease. Tenant shall endeavor to obtain, for Landlord's benefit, releases, clearances or other instruments from any of

its employees, which may be necessary to permit Landlord to make and use or permit to be made and used any photographs, motion pictures or other reproductions for any of the purposes herein provided.

25.28. Assignment; Affiliates. Notwithstanding anything to the contrary contained herein, Landlord may assign and transfer its rights and obligations related to or arising out of this Lease to any Affiliate of Landlord, and upon any such assignment Landlord shall be released from its obligations hereunder. This Section shall survive any termination of this Lease.

25.29. Authority to Do Business. Tenant hereby represents and warrants that Tenant is and shall remain at all times during the term of this Lease in good standing in its state of organization and authorized to transact business in the State of Florida.

25.30. Governing Law; Dispute Resolution. This Lease shall be governed by and construed in accordance with the laws of the State of Florida without reference to the laws of any other jurisdiction. Landlord and Tenant agree to submit any disputes arising under this Lease to non-binding mediation. In the event Tenant and Landlord cannot in good faith agree on a mediator within 15 days of the request of either party for mediation, or, if the parties remain in dispute following mediation, any such dispute will be resolved by judicial proceeding. In any suit or proceeding brought by either party, the prevailing party will be entitled to recover attorneys' fees, costs and expenses actually incurred in such suit or proceeding or in any appeal. This Section 25.30

25.31. Survival. The provisions of this Lease which from their context or application are intended to survive the expiration or earlier termination of this Lease shall so survive.

26. **ADDITIONAL TERMS.**

26.1. Addendum. Addendum No. 1 is attached hereto and incorporated herein pertaining and related to Inspection Period, Declaration and Planned Unit Development.

[Signatures Appear on Next Page]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be duly executed as of the execution date.

Signed, sealed and delivered
in the presence of:

**PENSACOLA-ESCAMBIA PROMOTION AND
DEVELOPMENT COMMISSION**, a political
subdivision of the State of Florida

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

Date: _____

Signed, sealed and delivered
in the presence of:

SPACE FLORIDA, an independent special district,
a body politic and corporate, and a subdivision of the
State of Florida

Print Name: _____

By: _____
Name: _____
Title: _____

Print Name: _____

Date: _____

EXHIBIT A

Definitions

Additional Rent:	See Sections 5.3, 10.4, 10.5, 13.3, 15.1, 17.1, 20.2, and 25.1
Address for Notices and Rent Payments:	
If to Landlord:	PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION 117 West Garden Street Pensacola, Florida 32502 Attention: Scott Luth
With a copy of notices to:	Richard Sherrill, Esq. Clark, Partington, Hart, Larry, Bond & Stackhouse 125 West Romana Street, Ste. 800 Pensacola, Florida 32502
If to Tenant:	SPACE FLORIDA 505 Odyssey Way Exploration Park, Florida 32953 Attention: Howard Haug and Chris Snow
Affiliate(s):	A person or entity which (either directly or indirectly, through one or more intermediaries) controls, is under common control with or is controlled by, the specified person or entity. For purposes of this definition, control of a specified person or entity (including the correlative terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the specified person or entity, whether through ownership of voting securities, the ability to appoint one or more of an entity’s trustees, directors or persons in a similar capacity, or otherwise.
Alteration:	See Section 13.1
Approved Plans and Specifications:	See Section 4.2
Attorneys’ Fees:	All costs, fees and expenses, including witness fees, expert fees, consultant fees, attorney, paralegal and legal assistant fees, costs and expenses (of both in-house and outside counsel, paralegals and legal assistants) and other professional fees, costs and expenses whether suit be brought or not, and whether in settlement, mediation, arbitration, in any declaratory action, at trial or on appeal.
Authority:	See Section 8.2
Base Rent:	\$1.00 per year per lot for 30 Lease Years. Renewal: If Space Florida or Pensacola Technology Group LLC (or

any joint venture between the two), renews the Lease as permitted in the Lease, Base Rent shall be fair market value at that time.

Purchase: If Space Florida or Pensacola Technology Group LLC (or any joint venture between the two) desires to purchase the Premises, the purchase price shall be determined under appraisal performed by Asmar Appraisal Company, Inc. dated January 13, 2013.

Assignment/Transfer to Third Party: Assignment of the Lease or Transfer of any improvements constructed thereon to a third party other than Space Florida, Pensacola Technology Group or a joint between the two is subject to Landlord's approval which may be withheld in Landlord's sole discretion. In the event of a permitted assignment or transfer, Base Rent shall be fair market value at that time.

Broker:

None.

Cleanup Laws:

See Section 8.2

Commencement Date:

The Possession Date

Declaration:

Declaration of Covenants and Restrictions for Pensacola Downtown Technology Campus recorded in Official Record Book ____, Page ____ et seq., of the Official Records of Escambia County, Florida, as the same may have been and may hereafter be amended, supplemented and/or modified from time to time and shall also include the Articles of Incorporation, By-Laws, and Rules and Regulations of any association formed to carry out the terms of the Declaration or any Supplemental Declarations, all as amended from time to time.

Default Rate:

The lesser of: (i) 10% per annum; or (ii) the highest rate of interest then allowable pursuant to Florida law.

Environmental Law:

See Section 8.1

Estoppel Certificate:

See **Exhibit E**

Event of Default:

See Section 22.1

Execution Date:

The date when the last one of Landlord and Tenant has signed this Lease.

Extension Option:

See **Exhibit G**

Extension Option Term:

See **Exhibit G**

Franchisor:

See Section 22.1

Hazardous Materials:

See Section 8.1

Landlord Delay:	A delay in the performance of Tenant's Improvements caused by the act or omission of Landlord or its employees or contractors which makes it impossible or impracticable for Tenant to perform Tenant's Improvements; provided, however, that no Landlord Delay shall be deemed to have occurred unless and until Landlord shall have received notice thereof and no Landlord Delay shall be deemed to have occurred if the work being performed by or on behalf of Landlord was a result of Tenant's failure to comply with its obligations under this Lease or was being performed at the request of Tenant.
Landlord's Work:	See Section 4.1
Lease Year:	Each consecutive 12 month period commencing on the Commencement Date; provided if the Commencement Date occurs other than on the first day of a calendar month, the first Lease Year shall include the partial month plus the first full 12 months thereafter.
Minimum Maintenance Standards:	See Section 14.2 and Exhibit D
Permitted Use:	Office Building, with office space leased to Space Tenant, for jobs in the high tech/high wage industries described in that certain Interlocal Agreement dated February 21, 2008 and recorded in Escambia County Official Records Book 6308 Page 1064
Plan Submittal Date:	_____
Plans and Specifications:	See Section 4.2
Possession Date:	The date on which possession of the Premises is first made available to Tenant for the performance of Tenant's Improvements.
Premises:	Three (3) lots located within Real Property of approximately 9 acres more or less located in Escambia County, Florida more particularly set out and described in Exhibit B, together with any additional lots added to Tenant's Premises pursuant to the terms of the Commercial Lease
Projected Possession Date:	_____, 20__
Related Parties:	See Section 22.1
Removable Trade Fixtures:	See Section 4.4
Rent (or Rents):	Base Rent, Additional Rent and all other monies and sums due to Landlord from Tenant hereunder.

Rent Commencement Date:	The earlier of 18 months from the Commencement Date or the issuance of a Certificate of Occupancy.
Restricted Uses:	See Section 7.1
Rules and Regulations:	See Exhibit G
Signs:	See Section 6.1
Taking:	See Section 18.1
Taxes:	See Section 10.4.3
Tenant Improvements Completion Date:	_____
Tenant's Improvements:	See Section 4.3
Term or Lease Term:	30 Lease Years, subject to the provisions of Section 3.1 and Exhibit G.
Termination Date:	The day immediately preceding the 30th anniversary of the first Lease Year Commencement Date.; or upon assignment by Tenant (or Pensacola Technology Group LLC, or a joint venture between the two) of the Tenant's rights under the Lease or transfer by Tenant (or Pensacola Technology Group LLC, or a joint venture between the two) of Tenant's improvements to a third party.
Trade Fixtures:	See Section 4.4
Pensacola Technology Campus:	_____

EXHIBIT B

Site Plan and Legal Description of Premises

EXHIBIT C

Landlord's Work

This **Exhibit C** is representative only, and Landlord reserves the absolute right, without notice to or approval of Tenant, to make substitutions for the fixtures, materials and equipment itemized herein; provided that any substituted fixtures, materials and equipment shall be of a quality at least equal to the items for which substitution is made.

Unless otherwise noted, Landlord's Work within the Premises shall consist of the following:

1. Secure necessary zoning for the Permitted Use
2. Obtain all necessary approvals for improvement
3. Install or otherwise make available lines, pipes or conduits for electric power, telephone, potable water, and sanitary sewer utility services in amounts reasonably sufficient for the conduct of Tenant's Permitted Use to the boundary of the Premises
4. Gyro access for soil test and survey within 15 days of Execution Date.
5. Provide all mitigation credits required for permitting by FDEP and USACOE at Landlord's expense

Landlord and Tenant agree that this **Exhibit C** contains Landlord's minimum standard of its performance of industrial construction. If Tenant's use requires additions or alterations to the Premises beyond Landlord's minimum standards, all such alterations and additions shall be at Tenant's sole cost and expense.

Landlord's Work outside of the Premises will consist of the following:

- (a) Construction of all access ways, drive ways and site improvements as depicted in site plan in Exhibit B.

Landlord shall complete Landlord's Work by _____, failing which, Tenant may terminate this Lease.

EXHIBIT D

Legal Description and Site Plan for the Pensacola Technology Campus

EXHIBIT E

ESTOPPEL CERTIFICATE

SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida ("Tenant") hereby certifies and affirms to _____, a _____ that all of the following statements are true:

1. That certain Ground Lease, and all amendments, modifications, supplements, guarantees and other agreements relating to the Premises (collectively the "Lease") dated _____ **PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION**, a political subdivision of the State of Florida, as Landlord ("Landlord"), and Tenant is unmodified and in full force and effect as of the date hereof (all capitalized but undefined terms used herein shall have the same meanings assigned to the same in the Lease).

2. All Rent due under the Lease is current and paid through _____ (please insert date in the blank above).

3. Tenant has paid to Landlord a security deposit of _____ and _____/100 U.S. Dollars (\$_____), which is being held by Landlord pursuant to the terms and conditions of the Lease. (If there is no security deposit, please insert the word "None" in the blank above).

4. There are not, to Tenant's knowledge, any uncured defaults on the part of Landlord under the Lease as of the date hereof.

5. Attached hereto is a true, correct and complete copy of the Lease.

6. The Lease is in full force and effect and has not been amended, modified, extended or renewed, whether verbally or in writing, and no default on the part of Landlord or Tenant exists, and as on the date hereof, no circumstances or state of facts exist which for any reason would give Tenant the right to rent credits or other offsets or to terminate the Lease or pursue any other recourse or remedy against Landlord provided under the Lease.

7. There has not been filed by or against Tenant a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangements under the bankruptcy laws of the United States or any state thereof, or any other action brought under said bankruptcy laws with respect to Tenant.

8. As of the date hereof, Landlord has performed all of its obligations to Tenant presently due from Landlord.

9. Tenant has not assigned its interest in the Lease or Tenant has assigned its interest in the Lease to the Investors.

10. There are no written or oral agreements between Tenant and Landlord related to rental concessions, additional improvements, or allowances for tenant improvements accomplished by the undersigned, other than as set forth in the Lease. To the best of Tenant's knowledge, all brokerage commissions related to the Lease have been paid.

11. This certification shall be binding upon, and shall inure to the benefit of the Landlord and the Tenant, the respective successors and assigns of the Landlord and the Tenant, and all parties claiming through or under such persons or any such successor or assign.

12. This Certificate may be relied upon by Lender in connection with making a mortgage loan to the Landlord.

[Signature page follows]

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

TENANT:

SPACE FLORIDA, an independent special district,
a body politic and corporate, and a subdivision of the
State of Florida

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT F
Memorandum of Lease

This instrument prepared by
and after recording return to:
Richard N. Sherrill, Esq.
Clark, Partington, Hart, Larry, Bond & Stackhouse
125 Romana Street, Ste. 800
Pensacola, Florida 32502

STATE OF FLORIDA
COUNTY OF ESCAMBIA

MEMORANDUM OF GROUND LEASE

This Memorandum of Ground Lease ("Memorandum") is entered into this ____ day of _____, 201__, by and between by and between **PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION**, a political subdivision of the State of Florida, whose address is 117 West Garden Street, Pensacola, Florida 32502 ("Landlord"), and **SPACE FLORIDA**, an independent special district, a body politic and corporate, and a subdivision of the State of Florida ("Tenant"), whose address is 505 Odyssey Way, Exploration Park, Florida, 32953.

NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Landlord and Tenant hereby agree as follows:

1. Pursuant to a Ground Lease (the "Ground Lease") executed by the Landlord and Tenant, of even date hereof, the Landlord has leased and does hereby lease to Tenant, and Tenant has leased and does hereby lease from the Landlord, that certain real property located in Escambia County, Florida and which leased real property is more particularly described in Exhibit "A," attached hereto and incorporated by reference (the "Premises"). The rent, term and other terms and conditions are set forth in the Ground Lease and are hereby incorporated by reference.

2. Landlord's interest in the Premises shall not be subjected to liens of any nature by reason of Tenant's construction, alteration, repair, restoration, replacement or reconstruction of any improvements on or in the Premises, including those arising in connection with or as an incident to the construction of Tenant's improvements, or by reason of any other act or omission of Tenant (or of any person claiming by, through or under Tenant). All persons dealing with Tenant are hereby placed on notice that such persons shall not look to Landlord or to Landlord's credit or assets (including Landlord's interest in the Premises) for payment or satisfaction of any obligations incurred in connection with the construction, alteration, repair, restoration, replacement or reconstruction thereof by or on behalf of Tenant. Tenant has no power, right or authority to subject Landlord's interest in the Premises, neighboring properties or any portion of Pensacola Technology Campus (as more particular described in Exhibit "B"), to any lien or claim of lien. The purpose of this provision is to comply with Chapter 713.10, Florida Statutes.

3. This Memorandum of Ground Lease is subject to all of the terms, conditions and understandings set forth in the Ground Lease, which are incorporated herein by reference and made a part hereof, as though copied verbatim herein. The provisions of this Memorandum constitute only a general description of the content of the Ground Lease with respect to matters set forth therein. Accordingly, third parties are advised that the provisions of the Ground Lease itself shall be controlling with respect to all matters set forth herein. All capitalized terms not defined herein shall have the meaning set forth in the Ground Lease. In the event of any discrepancy between the provisions of the Ground Lease and this Memorandum, the provisions of the Ground Lease shall take precedence and prevail over the provisions of this Memorandum.

Executed as of the date first written above.

[Signatures on following page]

Signed, sealed and delivered
in the presence of:

Print Name: _____

Print Name: _____

Print Name: _____

Print Name: _____

LANDLORD:

**PENSACOLA-ESCAMBIA PROMOTION AND
DEVELOPMENT COMMISSION**, a political
subdivision of the State of Florida

By: _____
Name: _____
Title: _____

Date: _____

TENANT:

SPACE FLORIDA, an independent special district,
a body politic and corporate, and a subdivision of the
State of Florida

By: _____
Name: _____
Title: _____

Date: _____

EXHIBIT G

Renewal/Purchase Option

If on the Termination Date, Tenant is not in default of any of its obligations under this Lease, and Tenant's Building (or the Building of Pensacola Technology Group LLC, or a joint venture between the two) is then open and operating for business for the Permitted Use as set forth in **Exhibit A** of this Lease, Tenant (or its assignee in the case of assignment of the rights under the Lease or transfer of Tenant's improvements on the Premises) shall have the option to: 1) renew the Lease (which shall include all lots then leased by Tenant or Pensacola Technology Group LLC, or a joint venture between the two) at then existing fair market value; or 2) purchase the Premises for fair market value as determined under appraisal done by Asmar Appraisal Company, Inc. dated January 13, 2013.

To exercise the option to renew the Lease item 1) above, Tenant shall provide Landlord written notice of its intent to do so at any time prior to 60 days before the expiration of the Lease Term.

To exercise the Option to purchase option under item 2) above, Tenant shall provide Landlord written notice of its intent to do so at any time prior to 60 days before the expiration of the Lease Term (the "Option Notice"). Closing shall take place on or before the end of sixty (60) calendar days following Landlord's receipt of Tenant's Option Notice. At closing, Tenant shall pay documentary stamp tax on the deed, all financing charges, and one-half of the closing fee; and Landlord shall pay owner's title insurance charges, one-half of the closing fee, recording of the deed and costs of rendering title marketable. Closing shall occur at the office of, and title shall be issued by, Landlord's attorney. Tenant shall continue to pay rent and meet all other obligations and terms hereof after exercise of the Option and prior to closing, and rent shall be prorated as of the closing date. There shall be no conditions precedent to Tenant's obligation to close except that marketable title to the Premises is to be delivered to Tenant from Landlord by special warranty deed free and clear of any lien that will not otherwise be satisfied at closing. The parties acknowledge that if the Tenant does not close after exercising the Option due to a title defect which renders title unmarketable, and which Landlord deems at its sole discretion impractical to cure, the Lease shall continue and remain in full force and effect.

EXHIBIT H

Permitted Exceptions

Schedule 4.2
Plans and Specifications

**Schedule 19.1
Form of SNDA**

**PREPARED BY AND
AFTER RECORDING RETURN TO:**

GrayRobinson, P.A.
301 East Pine St.
Suite 1400
Orlando, Florida 32801
Attention: Truong M. Nguyen

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENMENT AGREEMENT**

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENMENT AGREEMENT (this “**Agreement**”) is made and entered into as of this ____ day of _____, 201_, by and between, _____ (“**Lender**”), having its principal office at _____, _____, **PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION**, a political subdivision of the State of Florida (“**Landlord**”), having its principal office at 117 West Garden Street, Pensacola, Florida 32502, Attention: Scott Luth, and **SPACE FLORIDA**, an independent special district, a body politic and corporate, and a subdivision of the State of Florida (“**Tenant**”), having its principal office at 505 Odyssey Way, Exploration Park, Florida, 32953, Attention: Desiree Mayfield and Keevin Williams.

RECITALS

WHEREAS, by a Ground Lease dated December ___, 2015 (as the same may have been amended, modified, supplemented, extended or renewed from time to time, the “**Lease**”), Landlord has leased to Tenant and Tenant has leased from Landlord that certain real property more particularly described on **Exhibit A** attached hereto and incorporated herein (the “**Premises**”);

WHEREAS, Lender has made or committed to make a mortgage loan in the amount of _____ and No/100 Dollars (\$_____) to Landlord to be secured by a mortgage (as the same may be amended, restated, extended, or otherwise modified from time to time, the “**Mortgage**”) to be recorded in the Official Records of Escambia County, Florida, which will constitute a lien against the Premises; and

WHEREAS, Tenant desires that Lender recognize Tenant’s rights under the Lease and Tenant is willing to attorn to a purchaser at a foreclosure, if any, pursuant to the Mortgage, if Lender and such purchaser recognize Tenant’s rights under the Lease.

NOW THEREFORE, in consideration of the sum of \$10.00 in hand paid and other good and valuable consideration, receipt of which is hereby acknowledged, and for and in consideration of their respective covenants herein made, the parties agree as follows:

1. The Lease is and shall be subject and subordinate to the lien of the Mortgage insofar as it affects the Premises, to the full extent of the principal sum secured thereby and interest thereon, and any other sums secured thereby, except as noted herein.

2. In the event of foreclosure of the Mortgage or transfer of the Premises by deed in lieu of foreclosure or upon a sale of the Premises pursuant to a trustee’s power of sale, Lender agrees, which agreement shall bind the purchaser under such a foreclosure or sale or the grantee under the deed in lieu of foreclosure (any such person, a “**Successor**”) that: (a) the Lease shall continue in full force and effect as a direct lease and agreement between the Successor and Tenant upon and subject to all of the terms, covenants and conditions of the Lease, (b) the rights of Tenant under the Lease shall not be disturbed or diminished and Tenant shall remain in possession of the Premises in accordance with the terms and conditions of

the Lease, and (c) no term or provision of the Lease shall be altered. Lender further agrees that Lender shall not join Tenant as a party defendant in any foreclosure or other action or proceeding taken by Lender under the Mortgage.

3. Tenant agrees to attorn to and accept any Successor as a result of foreclosure or deed in lieu thereof as Landlord under the Lease and that Tenant will continue to be bound, and to perform all the obligations imposed upon Tenant, by the Lease; provided, however, that Tenant shall be under no obligation to pay any rent or other sums to any Successor until Tenant receives written notice from the Successor that it has succeeded to Landlord's interest in and to the Lease. Landlord and Lender agree (which agreement shall bind any Successor), that upon receipt of written notice from a Successor that such Successor has succeeded to the interest of Landlord under the Lease, Tenant may rely on such notice without inquiry and may pay all rental and other charges reserved under the Lease directly to the Successor. Landlord and Lender further agree (which agreement shall bind any Successor) that any rent payments made by Tenant to a Successor shall be credited by both the Successor and Landlord against Tenant's rental and other obligations under the Lease, regardless of whether the Successor had the right to make such demand and regardless of any contrary demands which may be made by Landlord.

4. Lender, on behalf of Lender and each Successor, agrees that Tenant's possession of the Premises shall not be disturbed, and that Lender or such Successor shall be bound by all of the obligations imposed on Landlord by and in the Lease.

5. Notwithstanding any contrary or inconsistent provision of the Mortgage, the proceeds of any fire and extended coverage insurance maintained pursuant to the terms of the Lease shall be handled and/or applied as set forth in the Lease.

6. In the event of a condemnation of all or any portion of the Premises or the Tenant Improvements, the obligations of the parties respecting the repair and reconstruction of the Tenant Improvements, the allocation and disposition of the condemnation award, and Tenant's rights respecting such award, shall be as set forth in the Lease, and controlling over any contrary or inconsistent provision of the Mortgage; no provision of the Mortgage shall limit or affect Tenant's right to seek compensation in the event of a total or partial condemnation.

7. Landlord represents and warrants to Tenant that the Mortgage is the only mortgage encumbrance on the Premises and that the interest of Tenant under the Lease is not subordinate to any other mortgage, lien or interest.

8. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Premises are located.

9. This Agreement shall also bind and benefit the heirs, legal representatives, successors and assigns of the respective parties hereto, and all covenants, conditions and agreements herein contained shall be construed as running with the land. The word "**Lender**" as used herein shall mean not only the original Lender named herein but also all future holders of the Mortgage. The word "**Tenant**" as used herein shall mean not only the original Tenant named herein but also any entity which shall become the owner of the leasehold estate under the Lease and Tenant's rights, benefits and privileges under the Lease in compliance with the Lease. The word "**Landlord**" as used herein shall mean not only the original Landlord named in the first paragraph hereof but also all future owners of the Property. This Agreement is not intended to and shall not amend or modify the Lease. In the event of an inconsistency or conflict between the terms of this Agreement and the terms of the Lease, or between the terms of the Mortgage and the terms of the Lease, the terms of the Lease shall prevail.

(Signatures Appear on Following Pages)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day first above written.

LENDER:

By:_____

Name:_____

Title:_____

Witness:

Print Name: _____

Witness:

Print Name: _____

STATE OF _____)

)

COUNTY OF _____)

On this ____ day of _____, 2015, before me, the undersigned Notary Public in and for said County and State, personally appeared _____, as _____ of _____, who executed the foregoing instrument on behalf of said _____ for the purposes therein expressed. He/She is either () personally known to me or () has produced _____ as identification, and () did or () did not take an oath.

In witness whereof, I have hereunto set my hand and official seal the day and year last above written.

(SEAL)

Notary Public Signature

Printed/Typed Name:_____

My Commission Expires:_____

Commission Number:_____

PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION, a political subdivision of the State of Florida

By: _____
Name: _____
Title: _____

Print Name: _____

Print Name: _____

STATE OF FLORIDA)
)
COUNTY OF _____)

On this ____ day of _____, 2015, before me, the undersigned Notary Public in and for said County and State, personally appeared _____, as _____ of **PENSACOLA-ESCAMBIA PROMOTION AND DEVELOPMENT COMMISSION**, a political subdivision of the State of Florida, who executed the foregoing instrument on behalf of said Commission for the purposes therein expressed. He/She is either () personally known to me or () has produced _____ as identification, and () did or () did not take an oath.

Witness my hand and official stamp or seal, this the _____ day of _____, 2015.

Notary Public

SPACE FLORIDA, an independent special district, a body politic and corporate, and a subdivision of the State of Florida

Witness:

Witness:

STATE OF FLORIDA)
)
COUNTY OF _____)

Witness my hand and official stamp or seal, this the _____ day of _____, 2015.

Notary Public



Wrap ®

**Non-Profit Organization Directors and Officers Liability
and Employment Practices Liability
Renewal Coverages Application**

Travelers Casualty and Surety Company of America

Travelers Casualty and Surety Company (only applicable in Guam, Puerto Rico, and the Virgin Islands)

NOTICE

ALL LIABILITY COVERAGE PARTS FOR WHICH APPLICATION IS MADE APPLY, SUBJECT TO THEIR TERMS, ONLY TO CLAIMS FIRST MADE OR DEEMED MADE AGAINST INSURED DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF LIABILITY AVAILABLE TO PAY LOSSES WILL BE REDUCED BY THE AMOUNTS INCURRED AS DEFENSE EXPENSES, AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION AMOUNT, UNLESS OTHERWISE SPECIFICALLY PROVIDED BY ENDORSEMENT TO THE LIABILITY COVERAGE. THE COMPANY HAS NO DUTY TO DEFEND ANY CLAIM UNLESS DUTY-TO-DEFEND COVERAGE IS SPECIFICALLY PROVIDED.

The term **Applicant** means all corporations, organizations or other entities, including subsidiaries, proposed for this insurance.

I. GENERAL INFORMATION

1. Applicant Information:

Name of **Applicant**: Community Economic Development Association of Pensacola & Escambia
Street Address: 117 W Garden Street County, Inc.
City, State, ZIP Code: Pensacola, FL 32502

2. Does the **Applicant** now have tax exempt status under the United States Internal Revenue Code? Yes ☐ No ☒
3. Is there now, or has there been within the last 12 months, any dispute as to the **Applicant's** tax exempt status? Yes ☐ No ☒
If Yes, please attach an explanation.

II. ORGANIZATION INFORMATION

1. Is the **Applicant** managed or administered by any third party under contract or agreement? Yes ☐ No ☒
If Yes, please attach an explanation.
2. Does the **Applicant** currently carry General Liability Insurance? Yes ☒ No ☐
3. In the next 12 months (or during the past 24 months) is the **Applicant** contemplating (or has the **Applicant** completed or been in the process of completing) the following:
- a. Any actual or proposed merger, acquisition, or divestiture? Yes ☐ No ☒
- b. Any creation of a new organization, subsidiary, or division? Yes ☐ No ☒
If Yes, please attach a description of operations, ownership, and tax status for each such entity:
- c. Any reorganization or arrangement with creditors under federal or state law? Yes ☐ No ☒
- d. Any branch, location, facility, office, or subsidiary closings, consolidations, or layoffs? Yes ☐ No ☒
- If any of questions 3a-d were answered Yes, please attach an explanation, including the timing, the essential terms of the event, arrangement, impact on employee base and the surrounding circumstances.*

III. FINANCIAL INFORMATION

1. Is the **Applicant** currently (or has it been in the past 24 months) in violation of, or has it received an amendment to any debt covenant? Yes ☐ No ☒
If Yes, please attach an explanation.

Note: Omit Question 2 and attach the most recent annual audited financial statement if the **Applicant** receives government funding or is requesting a limit of \$3,000,000 or greater

2. Complete the following chart providing the requested financial information:

Indicate the following as it relates to the Applicant's fiscal year end (FYE): (Please indicate negative figures with "()" or "-" as appropriate)	Most Recent FYE (Month/Year) (8 / 15)	Prior FYE (Month/Year) (/)
Total Assets	\$ 298,803.00	\$ n/a
Long Term Debt	\$	\$
Net Equity/Net Assets (Deficit Equity)	\$ 294,101.00	\$
Revenues	\$ 291,440.00	\$
Net Income (Net Loss)	\$ 218,130.95	\$

IV. EMPLOYMENT PRACTICES LIABILITY SECTION

- Total number of employees:* 8
- Total number of employees* outside the U.S.? 0
- Total number of locations: 0
- Complete the following chart providing the number of Full Time and Part Time Employees*, Volunteers and natural person Independent Contractors:

As of Date of Application		Previous 12 Months		As of Date of Application	
Full Time Employees	Part Time Employees	Full Time Employees	Part Time Employees	Volunteers	Independent Contractors
6	2	7	2		

*Full and part time including leased, seasonal, and temporary employees

- Complete the following chart providing the *maximum* number of employees at any one point during the previous 12 months for the following classifications (regardless of whether they are full or part time):

Leased	Temporary	Seasonal	Union

- Complete the following chart providing employee information for the **5 states or countries** with the greatest number of **Applicant** employees (attach a separate sheet if necessary):

State or Foreign Country Location	Number of Employees

- Complete the following chart providing employee turnover figures for each of the last 3 years:

Number of Terminations	Year - 2015	Year - 2014	Year - 20
Voluntary	0	n/a	n/a
Involuntary (excluding layoffs/downsizing)	0		
Layoffs/Downsizing	0		

- Within the past 24 months how many officers have been involuntarily terminated or laid off? 0
- Prior to employee terminations does the **Applicant** consult with:
 - Human Resources personnel? Yes ☒ No ☐
 - An attorney with experience in employment law? Yes ☐ No ☒

10. a. During the last 12 months, has the Applicant made amendments to any Human Resources policies or procedures or Employee Handbook? Yes ☐ No ☒
If Yes, please provide copies of such policies or procedures or handbook.
- b. Were such amendments reviewed by legal counsel? Yes ☐ No ☒

V. REQUESTED INSURANCE TERMS

1. Does the **Applicant** desire any changes to the expiring policy limit or retention? Yes ☐ No ☒
If Yes, please indicate the desired changes in the table below:

Liability Coverage	(A) Expiring Limit	(B) Requested Limit
Non-Profit Organization Directors and Officers	\$ 1,000,000	\$ 2,500
Employment Practices	\$ 1,000,000	\$ 1,000

Do not answer the next question unless the Requested Limit in Column (B) exceeds the Expiring Limit in Column (A).

2. Solely with respect to the higher limits requested or that may ultimately be issued for the proposed renewal, is the **Applicant** or any person proposed for this insurance aware of any fact, circumstance, situation, event or act that reasonably could give rise to a claim against them under the Liability Coverage? Yes ☐ No ☒
If Yes, please attach an explanation.

*Solely with respect to any portion of the Limit for this Liability Coverage in the proposed policy that exceeds the amount of the Expiring Limit for this Liability Coverage in the expiring policy, the proposed insurance will not afford coverage for any claim arising from any fact, circumstance, situation, event or act about which any executive officer of the **Applicant** had knowledge prior to the issuance of the proposed policy, nor for any person or entity who knew of such fact, circumstance, situation, event or act prior to the issuance of the proposed policy.*

VI. REQUIRED ATTACHMENTS

As part of this Application, please submit the following documents (*these documents, and the representations and facts they contain, are made a part of this Application, whether such documents are physically delivered to the Company by the **Applicant** or are obtained by the Company from any public source, including the Internet*):

- If **Applicant** receives any government funding or if limit requested is \$3,000,000 or greater, most recent annual audited financial statement
- IRS Form 990
- If **Applicant** is a *school*, complete the School Supplemental Application
- If **Applicant** has 1,000 or more employees, most recent EEO-1 report and complete the Wage and Hour Supplemental Application
- If impact of **Applicant** layoffs is either 10% of the workforce or more than 100 employees, complete the Downsizing Supplemental Application

VII. COMPENSATION NOTICE

Important Notice Regarding Compensation Disclosure

For information about how Travelers compensates independent agents, brokers, or other insurance producers, please visit this website: http://www.travelers.com/w3c/legal/Producer_Compensation_Disclosure.html

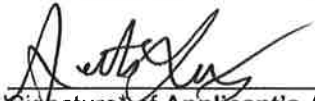
If you prefer, you can call the following toll-free number: 1-866-904-8348. Or you can write to us at Travelers, Enterprise Development, One Tower Square, Hartford, CT 06183.

VIII. FRAUD WARNINGS

Attention: Insureds in Alabama, Arkansas, D.C., Maryland, New Mexico, and Rhode Island

Any person who knowingly (or willfully in MD) presents a false or fraudulent claim for payment of a loss or benefit or who knowingly (or willfully in MD) presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

ELECTRONICALLY REPRODUCED SIGNATURES WILL BE TREATED AS ORIGINAL.



Signature of Applicant's Authorized Representative
(President, CEO, Executive Director)

Scott Luth
Name (Printed)

CFO
Title

10-19-2015
Date

*IF YOU ARE ELECTRONICALLY SUBMITTING THIS APPLICATION TO TRAVELERS, APPLY YOUR ELECTRONIC SIGNATURE TO THIS FORM BY CHECKING THE ELECTRONIC SIGNATURE AND ACCEPTANCE BOX BELOW. BY DOING SO, YOU HEREBY CONSENT AND AGREE THAT YOUR USE OF A KEY PAD, MOUSE, OR OTHER DEVICE TO CHECK THE ELECTRONIC SIGNATURE AND ACCEPTANCE BOX CONSTITUTES YOUR SIGNATURE, ACCEPTANCE, AND AGREEMENT AS IF ACTUALLY SIGNED BY YOU IN WRITING AND HAS THE SAME FORCE AND EFFECT AS A SIGNATURE AFFIXED BY HAND.

AUTHORIZED REPRESENTATIVE'S ELECTRONIC SIGNATURE AND ACCEPTANCE ☐

X. PRODUCER INFORMATION (ONLY REQUIRED IN FLORIDA, IOWA, AND NEW HAMPSHIRE):



Producer Signature

Tara Jones
Producer Name (Printed)

McMahon-Hadder Insurance, Inc
Agency Name

Agency Code

P144286
License Number

FloridaWest
Balance Sheet - Cash Basis
As of August 31, 2015

ASSETS

Current Assets

Total Checking/Savings **281,440**

Total Other Current Assets **16,174**

Total Fix Assets **1,190**

Total Current Assets **298,803**

TOTAL ASSETS **298,803**

LIABILITIES & EQUITY

Liabilities

Total Current Liabilities **4,702**

Total Liabilities **4,702**

Equity

Net Income **294,101**

Total Equity **294,101**

TOTAL LIABILITIES & EQUITY **298,803**

FloridaWest Board Members	Current Title	Anticipated Title (October 21 Vote)	Email	Phone
John Hutchinson	President		jlhuth@cox.net	(850) 324-0099
Lewis Bear, Jr.	Vice President		lbearjr@aol.com	(850) 380-1694
Gary Huston	Secretary	Treasurer	GHUSTON@cphlaw.com	(850) 723-7055
Jim Waite	Treasurer	President	jwaite@baskervilledonovan.com	(850) 438-9661
Tim Haag	Member	Secretary	tim.haag@ecua.fl.gov	(850) 969-3304
Amy Lovoy	Member		amy_lovoy@co.escambia.fl.us	(850) 595-3936
Gary Sammons	Member	Vice President	gmsammons@southernco.com	(850) 429-2770
Rebecca Ferguson	Member		rferguson@cityofpensacola.com	(850) 435-1699
Donnie McMahon	Member		don@mcmahonhadder.com	(850) 484-7011
Staff				
Scott Luth	Staff		sluth@floridawesteda.com	
Danita Andrews	Staff		dandrews@floridawesteda.com	
Katie Kelly	Staff		kkelly@floridawesteda.com	
Kelly Reeser	Staff		kreeser@floridawesteda.com	
Sena Maddison	Staff		smaddison@floridawesteda.com	
Patrick Rooney	Staff		prooney@floridawesteda.com	
Krissy Heinold	Staff		kheinold@floridawesteda.com	
Others				
Todd Thompson	Chamber		tthompson@pensacolachamber.com	
Ricki Phelps	CPA- Chamber		rphelps@pensacolachamber.com	
Margaret Stopp	Attorney		mstopp@mhwlaw.com	
Clay Ingram				