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** OFFICIAL RECORDS **
BK: 1261 PG: 941
FILE# 99-017247
HERNANDO COUNTY, FLORIDA

GROUND LEASE

THIS IS A GROUND LEASE dated as of April 6, 1999, between **HERNANDO COUNTY**, a political subdivision of the State of Florida, as **LESSOR** whose address is 20 N. Main Street, Room 460, Brooksville, FL 34601, and **ANARAK CORPORATION**, as **LESSEE**, whose address is 4578 Lake In the Woods Drive, Spring Hill, FL 34607.

WITNESSETH:

The **LESSOR** and the **LESSEE** hereby covenant and agree as follows:

SECTION 1. LEASE OF LEASED LAND

The **LESSOR** hereby demises and leases 104,385 sf (m.o.l.) of Hernando County Airport land located within the Corporate AirPark, as described and shown in Exhibit A, to the **LESSEE** and the **LESSEE** hereby hires, takes and leases the Leased Land from the **LESSOR**, for the term, at the rental and on the conditions herein set forth.

SECTION 2. LEASE TERM

The lease term for the Leased Land shall commence on the 6th day of April, 1999, and shall end on the anniversary date Thirty (30) years hence. **LESSEE** shall have the option, upon giving written notice to **LESSOR** not greater than six months nor less than three months prior to the expiration of the initial term, to renew the lease for two additional ten (10) year terms provided **LESSEE** has complied with all the terms and conditions of the original lease and has not been and is not in default under the original lease and **LESSEE** and **LESSOR** can reach mutual agreement on the renewal of the lease term(s) and on the conditions and lease payments for renewal of the term(s) which approval shall not be unreasonably withheld. Any requests for renewal will automatically subject any new lease to any rules, regulations, covenants, or restrictions affecting the use of the subject property that are in effect at the time of the renewal. The **LESSEE**, prior to the termination of the lease, shall obtain and present to the **LESSOR** regardless of whether a lease renewal is sought by **LESSEE**, at the sole expense of the **LESSEE**, an environmental audit, prepared by a firm reasonably acceptable to the **LESSOR** and **LESSEE**, to determine the environmental condition of the Leased Land. Based upon environmental regulations in effect at termination of this Lease, should the environmental audit show cause for further environmental testing, it shall be the total responsibility of the **LESSEE** to correct any problems or discrepancies to the satisfaction of existing Local, State or Federal regulation. Upon termination of said lease, all fixed improvements shall revert to **LESSOR**.

RCD Apr 16 1999 03:02pm
KAREN NICOLAI, CLERK

SECTION 2a. PERMITTED USES

LESSEE shall use the demised premises to construct thereon an office/warehouse building and for no other use except as permitted herein. It is understood and agreed that the business purpose of LESSEE is for the manufacture, distribution and service of filling and dispensing systems, instruments and controls, and related products or services and should changes occur, the conformance of which shall be determined and approved in writing in advance by the LESSOR through the Airport Manager, which approval shall not be unreasonably withheld or delayed. Such approval may reasonably relate to any subsequent covenants, restrictions or conditions generally applicable to Corporate AirPark. All building locations on said leasehold shall have prior written approval of LESSOR.

LESSOR hereby grants permission to the LESSEE to execute and deliver unto SunTrust Bank Nature Coast, a Leasehold Mortgage and Security Agreement pledging this lease, and the buildings and attendant facilities, excluding fixed County property, to be erected upon the leased premises, as security for said loan, as contemplated by this Section.

Lessor agrees that, in the event that Lessee shall pledge this Lease pursuant to the terms of a Leasehold Mortgage and Security Agreement, then Lessor, so long as said Leasehold Mortgage and Security Agreement remains outstanding and has not been satisfied of record, will not enter into any agreement with Lessee purporting to change, modify, amend or terminate the Ground Lease without the mortgagee's joinder and prior consent, which consent shall not be unreasonably withheld as to any nonmaterial change, modification or amendment. Lessor agrees that any attempted change, modification, amendment or mutual termination between Lessor and Lessee without the mortgagee's joinder and prior written consent shall be void and of no force or effect. In the event that Lessee shall pledge this Ground Lease pursuant to a Leasehold Mortgage and Security Agreement as herein provided, then Lessor agrees that if and when Lessor notifies Lessee of a default or claim of default by Lessee under the Ground Lease, Lessor shall send a copy of the written notice or a written explanation of any oral notice ("Notice") concurrently therewith to the mortgagee, at an address certified to Lessor in writing by said mortgagee upon the granting of said Leasehold Mortgage and Security Agreement. The mortgagee shall be permitted to remedy any such default or claimed default specified in the Notice within an equal period of time, commencing on the date mortgagee receives or is deemed to have received such Notice, as Lessee would be permitted to remedy same pursuant to this Ground Lease. Notwithstanding the foregoing provisions of this paragraph, said mortgagee shall have a minimum of thirty (30) days after its receipt of the Notice to remedy the default. Lessor further agrees that in the event that Lessee pledges the Ground Lease pursuant to a Leasehold Mortgage and Security Agreement, then should said mortgagee, or a purchaser at a foreclosure sale, acquire the LESSEE's interest under the Ground Lease, through foreclosure or otherwise, Lessor shall recognize said mortgagee, or such purchaser, as the

purchaser under the Ground Lease provided that said mortgagee or purchaser agrees to be bound by the terms and conditions for the rest of the unexpired term of the Ground Lease or that LESSOR, mortgagee or purchaser can reach mutual agreement on any changes to the terms of the Ground Lease. LESSOR further agrees that in the event that LESSEE shall hereafter file for protection under the bankruptcy laws of the United States and shall reject or otherwise terminate the Ground Lease, LESSOR shall enter into a new Ground Lease on the exact same terms and conditions as the Ground Lease with the mortgagee, but only to the extent of the original term of the Ground Lease.

SECTION 3. RENT

The LESSEE agrees to pay to the LESSOR as rents, the rates as shown below:

- Years 1 & 2 at the rate of \$0.03 per square foot of land per annum
- Years 3 & 4 at the rate of \$0.04 per square foot of land per annum
- Year 5 at the rate of \$0.05 per square foot per annum

Rental payments shall commence upon issuance of building certificate of occupancy or six months from lease commencement, whichever comes first. Rent payments shall be paid in equal monthly installments and shall be due and payable on the first day of each month. A ten percent (10%) penalty or an amount of \$25.00 (twenty-five dollars), whichever is greater, will be applied to all rents received after 5:00 PM on the tenth (10th) of the month. Lessee is separately responsible for taxes, sales tax, late fees, special assessments, building rents, fire protection fee and/or any fees assessed by lawful authority.

This rental amount shall be in effect for the first five (5) year period and then shall be subject to review for adjustments every fifth (5th) anniversary of this lease including extensions to the lease, and will be the current amount at the end of the five year period or ten percent (10%) of the then current appraised land value whichever is greater; provided however, that any adjustment of the rental amount shall not exceed five percent (5%) increase per year during the subsequent five-year period. Should the ten percent (10%) appraised value provide for an increase in excess of the five percent (5%) per year, then the rental amount will be increased to the five percent (5%) per year value and then raised each subsequent year thereafter by not more than five percent (5%) until the value of the rental amount reaches the ten percent (10%) value of the appraised amount or until the next adjustment period.

SECTION 8. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

LESSEE will use the premises and conduct or allow any activities upon the premises only in compliance with all applicable laws, governmental regulations, and regulations established, from time to time, by LESSOR, including but not limited to any subsequently adopted covenants, restrictions or conditions generally applicable to Corporate AirPark.

SECTION 9. ASSIGNMENT AND SUB-LETTING

LESSEE may not assign this lease or sub-let the premises, in whole or in part, without the written consent of LESSOR, except that LESSOR and LESSEE agree and LESSOR consents to a sublease for the premises from LESSEE to Kinematics & Controls Corporation. LESSOR hereby grants permission to SunTrust Nature Coast Bank to become a substitute lessee in the event of loan failure by the LESSEE. SunTrust Bank Nature Coast shall become the substitute lessee only upon written request made to LESSOR and execution of a Consent to Assignment, by both parties, which said Consent to Assignment shall bind substitute lessee to the terms and conditions contained herein. LESSEE envisions subletting of the building hereunder to future sub-lessees of the premises or sale of the building constructed thereon requiring the prior approval of the LESSOR as outlined in this lease. Prior to any requested assignment or sublease of this lease, LESSOR may require LESSEE, at LESSEE's expense, to obtain and present to LESSOR an environmental audit which determines the environmental condition of the Leased Land. The environmental audit shall be prepared by a firm acceptable to the LESSOR and LESSEE. To the extent the context permits, the terms set forth in Section 2 above with respect to an environmental audit shall apply to such an audit as required herein for assignment or sublease.

SECTION 10. INSURANCE

At all times while this lease remains in force, LESSEE agrees to maintain, at LESSEE's expense, fire and casualty insurance on the improvements located on the premises up to the full insurable and replacement value thereof, and to maintain general liability insurance with respect to the premises and coverage not less than \$1,000,000 single combined limit or an amount commensurate to normal amounts as the age of this lease increases, with the LESSOR being named as an additional insured. LESSEE shall deliver to LESSOR certificates or binders evidencing the existence of the insurance upon issuance of the Certificate of Occupancy and shall be obligated to provide evidence of continuing coverage throughout the term of this lease. The insurance binder shall provide that the insurance carrier shall notify LESSOR twenty (20) days prior to the date of expiration of coverage thereunder. LESSEE shall notify LESSOR in writing a minimum of twenty (20) days in advance in the event of future insurability cancellation. Failure to maintain required

insurance and to provide continuing evidence of insurance to LESSOR is a material breach of this lease and shall be grounds for LESSOR to take immediate action to evict LESSEE pursuant to applicable law. In addition to any other remedy available to LESSOR under this lease or applicable law, lapse of insurance coverage required herein on leasehold improvements and/or for liability shall subject LESSEE to a penalty of five hundred dollars (\$500.00) to be added to the amount of rent due for the first rental period after notice to LESSOR of such lapse.

SECTION 11. INDEMNIFICATION

LESSEE agrees to indemnify and hold harmless the LESSOR from any claim arising out of injury to any person or damage to any property resulting from LESSEE's activity upon the premises herein demised or upon the streets or property of the LESSOR, except matters arising from Lessor's gross negligence or willful misconduct. The LESSEE agrees as does the officer personally signing this lease on behalf of LESSEE that the LESSOR is indemnified from any damage, costs, expenses, fines or liabilities for LESSEE's use of the Leased Land which results in a prohibited environmental degradation of the property.

SECTION 12. UTILITIES AND TAXES

LESSEE shall pay all applicable taxes including sales tax, special assessments, and all costs and charges for water, gas, fire protection, electricity, water/sewer services, garbage service, telephone service, and other utilities or fees as levied by lawful authority used in connection with the premises while this lease remains in force.

SECTION 13. SUITABILITY OF PREMISES

LESSEE has examined the premises before entering into this lease and does not rely upon any representations by LESSOR as to the condition of the premises or its suitability for LESSEE's purposes. All fees, surveys and permits necessary for the development and use of said premise shall be at LESSEE's sole expense.

SECTION 14. LESSOR'S REMEDIES FOR LESSEE'S DEFAULT

If LESSEE fails to pay LESSOR the rent required hereunder when due, or otherwise defaults in the performance of LESSEE's obligations hereunder and fails to cure said default within ten (10) days after receipt of written notice to LESSEE by LESSOR of said default provided, however, that in the event of a non-monetary default only, if said default cannot be cured within ten (10) days upon Lessee's exercise of reasonable diligence,

Lessee shall have such longer time as is necessary to cure said default provided that Lessee commences said cure within said ten (10) day period and thereafter diligently prosecutes said cure to completion. For all defaults not cured, LESSOR may take possession of the premises and recover from LESSEE, at the end of the lease period or at the time each payment of rent becomes due hereunder, as LESSOR may choose, the unpaid rent specified herein less the net rent, if any, received by LESSOR from re-leasing or renting. In any event, LESSOR shall also be entitled to recover from LESSEE any special damages to LESSOR by reason of LESSEE's default. The remedies specified above are not in limitation of any other remedies allowed in law and equity. All costs incurred by LESSOR in enforcing the terms of this lease shall be borne by LESSEE, including reasonable attorney fees.

SECTION 15. AIRPORT MATTERS

Due to the leasehold location, this Lease is subordinate to the provision of any existing or future agreement between the LESSOR and the United States of America, the State of Florida or their agencies, relative to the operation or maintenance of the Hernando County Airport and specifically subject to all rules and regulations of the Federal Aviation Administration.

SECTION 16. EXCLUSIVE RIGHTS

Notwithstanding anything herein contained that may be, or appear to be to the contrary, it is expressly understood and agreed that the rights granted under this Lease are non-exclusive and the LESSOR herein reserves the right to grant similar privileges to another entity or other entities in other portions of the airport property.

SECTION 17. NON-DISCRIMINATION

The LESSEE for itself, its heirs, personal representatives, successors in interest and assigns, as a part of the consideration hereof does hereby covenant and agree that in the event facilities are constructed, maintained or otherwise operated on said property described in this Lease for a purpose which a Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, the LESSEE shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Non-Discrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.

SECTION 18. STANDARD PROTECTION CLAUSES

A. The LESSOR reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the

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surface of the real property herein described together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for use of said airspace for landing on, taking off from, or operating at the Hernando County Airport.

B. The LESSEE expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the herein described real property to such a height so as to comply with Federal Aviation Regulations, Part 77, as said regulations may be amended.

C. The LESSEE expressly agrees for itself, its successors and assigns, to prevent any use of the herein described real property which would interfere with or adversely affect the operation or maintenance of the airport, or otherwise constitute an airport hazard.

SECTION 19. COVENANTS

A. As a part of the consideration for this lease, the LESSEE covenants and agrees:

1. To further pay or discharge all taxes, assessments, penalties, charges, rates, or liens of any nature whatsoever which may for the period following the effective date of this lease be levied, assessed, charged, imposed, or claimed on or against said lot or any improvements or fixtures thereon or appurtenances thereto, or any part thereof, or against the Owner or Owners of said land or the improvements, by reason of said ownership, by whatsoever authority levied, assessed, charged, imposed, claimed, and whether the same be on or against the property herein leased, its improvements, fixtures, or appurtenances, or any part thereof, or on or against the income from said land or its improvements, it being the intention of the parties to this lease that the rents herein reserved shall constitute a net income to the LESSOR from said land herein leased, equal in amount to said rents.

2. That if part of or one of the building(s) be destroyed or rendered untenable by fire or other unavoidable accident, the LESSEE shall make appropriate repairs or replacement or demolition within a period of six (6) months. Time extension(s) may be granted by LESSOR for good cause upon written request by LESSEE and all such actions by LESSEE must be approved by LESSOR in writing.

3. That in the event the LESSEE, without the prior written consent of the LESSOR, shall sell, assign or in any manner encumber or pledge this lease, or if the LESSEE shall fail to comply with any statute, ordinance, rule, order, regulation or requirement of the Federal or State governments, or Hernando County, or any of its departments, or bureaus applicable to said premises, the LESSOR may, if it elects, at any time thereafter, terminate this lease or any of the terms thereof, on giving the LESSEE fifteen (15) days notice thereof in writing of its intention to do so, and upon giving such notice, the lease or those terms thereof shall terminate, expire and come to an end. However,

if **LESSEE** cures the default within fifteen (15) days of receipt of the notice mentioned above, then **LESSOR's** right to terminate this lease shall be abated, provided, however, if said default cannot be cured within fifteen (15) days upon Lessee's exercise of reasonable diligence, Lessee shall have such longer time as is necessary to cure said default provided that Lessee commences said cure within said fifteen (15) day period and thereafter diligently prosecutes said cure to completion..

4. That if at any time prior to the date fixed as the commencement of the term of this lease or if at any time during the term hereby demised there shall be filed by or against **LESSEE** in any court pursuant to any statute either 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 **LESSEE's** property, or if **LESSEE** makes an assignment for the benefit of creditors, this lease, at the option of the **LESSOR**, exercised within a reasonable time after notice of the happening of any one or more of such events, may be canceled and terminated. In such event neither **LESSEE** nor any person claiming through or under **LESSEE** by virtue of any statute or of order of any court shall be entitled to possession or to remain in possession of the premises demised but shall forthwith quit and surrender the premises. **LESSOR**, in addition to the other rights and remedies it has by virtue of any other provision herein or elsewhere in this lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any rent, security, deposit of moneys received by it from **LESSEE** or others on behalf of **LESSEE**.

B. As a part of the consideration for this lease, the **LESSOR**, upon its part, hereby covenants and agrees as follows:

1. That the **LESSEE** may quietly hold and enjoy the premises hereby leased without any interruption by the **LESSOR**, or any persons claiming through or under it, provided that on the breach of any of the covenants by the **LESSEE** herein contained the **LESSOR** may thereupon re-enter said premises and immediately the said term will be terminated.

2. That the **LESSOR** will obtain a Phase I Environmental Audit within one-year of the commencement of the lease for the property and will provide a copy of said audit for the leasehold to the **LESSEE**. **LESSOR's** audit shall be the baseline for future environmental audits and **LESSEE** shall be responsible for any environmental damage as a result of their operation or control of the leasehold.

SECTION 4. MAINTENANCE

In addition to the rental payments in paragraph 3, the LESSEE agrees to pay the LESSOR an annual sum of \$500.00 (five hundred dollars) which sum shall be for the cost, operation, and maintenance of the Hernando County Airport's Corporate AirPark common use areas. This amount shall be paid in equal monthly installments. This annual fee shall be adjusted every five (5) years, provided, however, that any adjustment shall not exceed five (5%) percent of the previous annual fee.

SECTION 5. NOTICES

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, postage prepaid, addressed as follows if to the LESSEE, at:

4578 Lake in the Woods Drive
Spring Hill, Florida 34607

and, if to LESSOR, at:

20 North Main Street, Room 460,
Brooksville, Florida 34601

The LESSOR and the LESSEE may, by notice given hereunder, designate in writing any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 6. BINDING EFFECT

This Ground Lease shall inure to the benefit of and shall be binding upon the LESSOR and the LESSEE and their respective successors and assigns.

SECTION 7. SEVERABILITY

In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 20. DESIGNATION OF LESSOR AGENT

This LESSOR designates and the LESSEE agrees that the Manager of the Hernando County Airport shall do and perform on behalf of the LESSOR all acts requiring the discretion of its agent hereunder, including at all reasonable times, the right to enter upon the premises for the inspection of same.

SECTION 21. EXECUTION IN COUNTERPARTS

This Ground Lease may be executed in three counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the LESSOR and the LESSEE have caused this Ground Lease to be executed in their respective names and their respective seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

LESSEE ANARAK CORPORATION
John and Anne Rakucewicz, AS INCORPORATORS

ATTEST:

By: [Signature]
By: [Signature]

Catherine M. Ladouceur
Notary Public 3/26/99



CATHERINE M LADOUCEUR
My Commission CC529962
Expires Feb. 04, 2000

CONCURRENCE

HERNANDO COUNTY AVIATION AUTHORITY

WITNESS:

[Signature]

By: [Signature]
Patti S. Patrick, Chairwoman

LESSOR
BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA
20 N. MAIN STREET. ROOM 460
BROOKSVILLE, FL 34601

ATTEST:

[Signature]
KAREN NICOLAI,
CLERK OF CIRCUIT COURT

By: [Signature]
Pat Novy, CHAIRWOMAN

For the use and reliance of Hernando County only.
Approved as to form only.

[Signature]
Kent L. Weissinger, Asst. County Attorney

Prepared By: Hernando Co., Airport, corpk03

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DESCRIPTIONS

EXHIBIT A

** OFFICIAL RECORDS **
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LOT 3

A PARCEL OF LAND LYING IN AND BEING A PART OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 23 SOUTH, RANGE 18 EAST, HERNANDO COUNTY, FLORIDA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE NORTHWEST CORNER OF SAID NORTHEAST 1/4; THENCE S 00° 17' 53" W, ALONG THE WEST BOUNDARY OF SAID NORTHEAST 1/4, 1661.36 FEET TO THE POINT OF BEGINNING; THENCE S 89° 42' 07" E 272.08 FEET; THENCE S 13° 20' 04" E 290.61 FEET TO A CURVE CONCAVE TO THE SOUTHEAST, HAVING A RADIUS OF 60.00 FEET, A DELTA OF 76° 22' 04", A CHORD BEARING OF S 38° 28' 55" W AND A CHORD OF 74.18 FEET; THENCE, ALONG THE ARC OF SAID CURVE, 79.97 FEET; THENCE N 89° 42' 07" W 294.71 FEET TO THE WEST BOUNDARY OF SAID NORTHEAST 1/4; THENCE N 00° 17' 53" E, ALONG SAID WEST BOUNDARY, 340.73 FEET TO THE POINT OF BEGINNING.

N 00° 17'

340.73'

N 00° 17' 53" E

S 89° 42' 07" E 272.08'

POINT OF BEGINNING
LOT 3

POINT OF BEGINNING
LOT 4

N 13° 20' 04" W
RADIAL

290.61'

1.37 A

LOT 3

2.40 ACRES, MORE OR LESS

N 89° 42' 07" W 294.71'

C-2
C-5

60°