UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): November 18, 2026

PetMed Express, Inc.
(Exact name of registrant as specified in its charter)

Florida	**000-28827**	**65-0680967**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

420 South Congress Avenue, Delray Beach, Florida 33445
(Address of principal executive offices) (Zip Code)

(561) 526-4444
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.001 per share	PETS	NASDAQ
Preferred Stock Purchase Rights	N/A	NASDAQ

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the
Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

On November 18, 2026, 420 South Congress Avenue, LLC (the "Seller"), a wholly owned subsidiary of PetMed Express, Inc. (the "Company"), entered into an amendment (the "Amendment") to that certain Commercial Contract and Addendum of Additional Terms, dated July 23, 2026, as amended, with Redfearn Capital Acquisitions, LLC (the "Buyer"), pursuant to which the Seller has agreed to sell to the Buyer the properties located at 410 and 420 South Congress Avenue, Delray Beach, Florida (collectively, the "Properties") and to consummate a leaseback transaction of the portion of the Properties occupied by the Company. The Company also joined in the execution of the Amendment for the purpose of agreeing to be bound by certain obligations relating to the Lease (as defined below).

In the Amendment, the Seller and the Buyer agreed to adjust the aggregate purchase price for the Properties to $31.5 million and to extend the due diligence period (during which the Buyer may test, analyze, survey, inspect, and investigate the Properties) to expire at 5:00 p.m. Eastern Time on November 30, 2026.

In addition, in the Amendment, the Seller and the Buyer agreed that the Standard Industrial Lease between the Buyer (or its permitted assignee), as landlord, and the Company, as tenant, for the Property currently occupied by the Company (*i.e.*, 420 South Congress Avenue, Delray Beach, Florida), attached to the Amendment (the "Lease") is in final form and that the terms of the Lease will control in the event of any conflict between the terms of the Lease and the summary of the lease terms set forth in the Addendum of Additional Terms.

The final form of Lease attached to the Amendment includes the following material terms:

(a) The term of the Lease will commence on the date of the closing of the sale of the Properties (the "Closing") (which is to occur on the date that is thirty days after the end of the due diligence period) and expire 120 full calendar months thereafter;

(b) The base rent under the Lease will be $14.25 per square foot for the first year of the term and $15.78 per square foot for the second year of the term and then will increase by approximately 3.5% per annum thereafter to $20.77 per square foot in the tenth year of the term;

(c) The Company will have three five-year extension options, with base rent for the first year of each extension period to be determined based on fair market rental value and increasing by 3.5% per annum thereafter;

(d) The Company will pay its pro rata share (initially 52.55%) of the operating expenses associated with the Properties, the building, the common area, and any other related buildings and improvements, including, without limitation, real property taxes, insurance premiums, common area maintenance, repairs, and property management fees not to exceed 4% of the gross rents collected; provided that increases in controllable operating expenses will be capped at 6% per year; and

(e) The Company will, at the time of execution of the Lease, prepay $2,230,850.55 of the rent under the Lease, which represents the total estimated rent for the third year of the lease term.

In addition, pursuant to the Amendment, the Company is required to deliver to the escrow agent for the Closing, prior to the expiration of the due diligence period, a letter of credit to secure the Company's obligations under the Lease in the amount of $4,214,609.86, naming the Buyer (or the Buyer's permitted assignee) as beneficiary, and otherwise satisfying the requirements of the Lease (the "Letter of Credit"), to be held in escrow by the escrow agent pending the Closing. In the Amendment, the parties further authorize and direct the escrow agent to deliver the Letter of Credit to the Buyer (or its permitted assignee, as landlord under the Lease) at the Closing. The required amount of the Letter of Credit is subject to various reductions based on certain Company financial metrics, timely rent payment and lease compliance by the Company through specified dates as set forth in the Lease.

The foregoing summary of the Amendment and the Lease is qualified in its entirety by reference to the full text of the Amendment and the Lease, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference into this Item 1.01.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

10.1	Tenth Amendment to Commercial Contract, dated November 18, 2026, by and between 420 South Congress Avenue, LLC, a wholly-owned subsidiary of PetMed Express, Inc., and Redfearn Capital Acquisitions, LLC.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 24, 2026

PETMED EXPRESS, INC.

By: /s/ Robert Lawsky

Name: Robert Lawsky

Title: General Counsel

Docusign Envelope ID: 01A6B68E-2663-8F58-80F4-577EA1017CD3

TENTH AMENDMENT TO COMMERCIAL CONTRACT

THIS TENTH AMENDMENT TO COMMERCIAL CONTRACT (this "Amendment") is entered into as of November 18, 2026, by and between 420 SOUTH CONGRESS AVENUE, LLC, a Florida limited liability company ("Seller") and REDFEARN CAPITAL ACQUISITIONS, LLC, a Delaware limited liability company ("Buyer").

RECITALS:

WHEREAS, Seller and Buyer entered into that certain Commercial Contract and Addendum of Additional Terms, dated as of July 23, 2026 (as amended, the "Contract"), for the purchase and sale of that certain real property located at 410 and 420 S. Congress Avenue, Delray Beach, Florida 33445, as more particularly described in the Contract.

WHEREAS, Seller and Buyer enter into this Amendment to modify and amend the Contract, all as provided for in this Amendment.

NOW, THEREFORE, in consideration of TEN & NO/100 DOLLARS ($10.00) and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Recitals; Capitalized Terms; Conflict. The foregoing Recitals are true and correct and are incorporated herein by this reference, as if set forth in their entirety. Any capitalized term not defined in this Amendment shall have the meaning ascribed to such term in the Contract. In the event of any conflict between the terms and conditions set forth in this Amendment and those set forth in the Contract, the terms and conditions of this Amendment shall control.

2. Purchase Price. The Purchase Price set forth in Section 2 of the Commercial Contract is hereby reduced to THIRTY-ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS ($31,500,000.00), and the balance to close set forth in Section 2(f) of the Commercial Contract shall be adjusted accordingly.

3. Due Diligence Period. The Due Diligence Period is hereby extended such that it shall be deemed to expire at 5:00 PM Eastern Time on November 30, 2026.

4. Lease. (a) Seller and Buyer acknowledge and agree that the Standard Industrial Lease between Buyer (or its permitted assignee under the Contract), as landlord, and Seller Tenant, as tenant, for the premises commonly known as 420 S. Congress Avenue, Suite 100, Delray Beach, Florida 33445, in the form attached hereto as Exhibit A and incorporated herein by this reference (together with all exhibits thereto, the "Lease"), is in final form and, upon full execution and delivery in accordance with Section 4(b) below, shall constitute the "Lease" referenced in paragraph (xvii) of the Addendum. In the event of any conflict between the terms of the Lease and the summary of the lease terms set forth in paragraph (xvii) of the Addendum of Additional Terms, the terms of the Lease shall control. Seller and Seller Tenant hereby authorize Buyer and Escrow Agent to complete the blanks in the Lease at Closing by inserting (i) the name and entity description of the party taking title at Closing (whether Buyer or Buyer's permitted assignee), as "Landlord," (ii) the Closing Date as the "Effective Date," (iii) the "Expiration Date," as determined in accordance with Section 3.1 of the Lease, and (iv) Landlord's notice address information.

(b) Concurrently with the execution of this Amendment, Seller shall cause Seller Tenant to execute its signature page to the Lease (the "Tenant Signature Page") and deliver the original Tenant Signature Page to Escrow Agent, to be held in escrow by Escrow Agent pending Closing. Seller, Buyer and Seller Tenant hereby irrevocably authorize and direct Escrow Agent to attach the Tenant Signature Page to the Lease at Closing, together with the signature page to the Lease executed by Buyer (or its permitted assignee), as landlord, whereupon the Lease shall be deemed fully executed and delivered and shall become effective as of the Closing Date in accordance with Section 3.1 of the Lease. Neither Seller nor Seller Tenant shall have any right to withdraw the Tenant Signature Page from escrow or to revoke the foregoing authorization and direction.

(c) Prior to the expiration of the Due Diligence Period, Seller shall cause Seller Tenant to deliver to Escrow Agent the original Letter of Credit (as defined in Section 50 of the Lease) in the amount of $4,214,609.86, naming Buyer (or, if designated by Buyer in writing prior to such delivery, Buyer's permitted assignee) as beneficiary, and otherwise satisfying the requirements of Section 50 of the Lease (the "Letter of Credit"), to be held in escrow by Escrow Agent pending Closing. Seller, Buyer and Seller Tenant hereby irrevocably authorize and direct Escrow Agent to deliver the original Letter of Credit to Buyer (or its permitted assignee, as landlord under the Lease) at Closing. Such delivery at Closing shall satisfy Seller Tenant's obligation under Section 50 of the Lease to deliver the Letter of Credit to Landlord on the Effective Date.

5. Counterparts; Facsimile; Ratification. This Amendment may be executed in one or more counterparts and each executed counterpart shall, for all purposes, be deemed an original and shall have the same force and effect as an original, all of which counterparts together shall constitute in the aggregate but one and the same instrument. The parties may rely on signatures transmitted via facsimile or electronic mail and signatures executed via DocuSign or any similar electronic signing service. This Amendment shall become effective upon execution by all parties hereto. Except as expressly set forth in this Amendment, the Contract is ratified and confirmed as written and remains in full force and effect.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Seller and Buyer have each executed and delivered this Amendment as of the date set forth above.

SELLER:

420 SOUTH CONGRESS AVENUE, LLC, a Florida limited liability company

By: Signed by: Robert Lawsky FE29F5D8FCF9447... _____
Print Name: Robert Lawsky
Its: ~~General Counsel~~

BUYER:

REDFEARN CAPITAL ACQUISITIONS, LLC, a Delaware limited liability company

By: _____
Print Name: Alexander P. Redfearn
Its: Manager

JOINDER OF SELLER TENANT

PetMed Express, Inc., a Florida corporation ("Seller Tenant"), joins in the execution of this Amendment for the purpose of agreeing to be bound by Section 4 hereof, including the obligations to deliver the Tenant Signature Page and the Letter of Credit to Escrow Agent and the irrevocable authorization and direction to Escrow Agent set forth therein.

SELLER TENANT:

PETMED EXPRESS, INC., a Florida corporation

By: Signed by: Robert Lawsky FE29F5D8FCF9447...
Print Name: Robert Lawsky
Its: General Counsel

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EXHIBIT A

Lease

[See attached]

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STANDARD INDUSTRIAL LEASE

1. **PARTIES**. This Lease (the "**Lease**"), dated _____, 2026 (the "**Effective Date**"), is made by and between [_____], a [_____] (herein called "**Landlord**") and PETMED EXPRESS, INC., a Florida corporation (herein called "**Tenant**" and together with Landlord, the "**Parties**" and each a "**Party**").

2. **PREMISES, PARKING, AND COMMON AREAS**.

2.1 **Premises.** Landlord hereby leases to Tenant and Tenant leases from Landlord for the term and upon all of the conditions set forth herein, that certain real property commonly known as 420 S. Congress Avenue, Suite 100, Delray Beach, Florida 33445, and described as approximately 100,519 rentable square feet (the "**Premises**") of a 130,859 square foot building (the "**Building**") inclusive of the entire first floor (except for Common Areas) totaling 96,344 square feet and the storage building of 4,175 square feet as depicted on Exhibit A attached hereto. Landlord makes no representation or warranty of the actual square footage of the Premises or the Building; provided, however, that the square footage is stipulated to be as set forth above for all purposes of this Lease. The property located at 410 S. Congress Avenue, Delray Beach, Florida 33445, which is adjacent to the Premises (the "**Adjacent Property**"), together with the Premises, the Building, the Common Areas, the land upon which the same are located along with all other buildings and improvements thereon, are herein collectively referred to as the "**Industrial Center**," as more particularly described on Exhibit B attached hereto.

2.2 **Vehicle Parking.** Tenant shall be entitled to non-exclusive use of available vehicle parking spaces on those portions of the Common Areas designated by Landlord for general parking. Tenant's usage of parking spaces shall not exceed Tenant's Prorata Share (hereinafter defined) of available parking, provided that in no event shall Tenant be allocated less than the minimum number of parking spaces required for the Premises under the parking requirements of the applicable zoning and land development regulations applicable to the Industrial Center, as may be amended from time to time. Tenant acknowledges and agrees that Landlord has no obligation to provide security for or otherwise monitor the parking spaces, such that any and all damages, losses, or other claims related to the use of the parking spaces shall be the responsibility of Tenant at Tenant's sole cost and expense.

2.3 **Common Areas - Definition.** The term "**Common Areas**" is defined as all areas and facilities outside the Premises and within the exterior boundary line of the Industrial Center that are provided and designated by Landlord for the general non-exclusive use of Landlord, Tenant and of other tenants of the Industrial Center and their respective employees, suppliers, shippers, customers and invitees, including parking areas, loading and unloading areas, trash areas, roadways, sidewalks, walkways, parkways, driveways and landscaped areas. Landlord or such other person(s) as Landlord may appoint shall have the exclusive control and management of the Common Areas, provided that at all times during the Term, Tenant has reasonable access to the truck court adjacent to Tenant's loading docks.

2.4 **Rules and Regulations.** Tenant agrees to abide by and conform to the rules and regulations for the Industrial Center set forth on **Exhibit C** attached hereto (the "**Rules and**

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Regulations"), and to use reasonable efforts to cause its employees, suppliers, shippers, customers, and invitees to so abide and conform. Landlord shall have the right, from time to time, to establish, modify, amend and enforce the Rules and Regulations, provided that such modified Rules and Regulations shall not alter Tenant's rights nor add costs to Tenant under the Lease other than to a de minimus extent.

2.5 **Common Areas - Changes.** Landlord may change the shape, size, location, number, and/or extent of the Common Areas. For the avoidance of doubt, Landlord shall have the right to remove or otherwise modify the parking area, drive aisle and related improvements and such actions shall be deemed immaterial for purposes of this Lease. In no event shall any such changes (i) reduce the amount of parking spaces available to Tenant and its customers, (ii) alter the truck court serving the Premises, (iii) adversely affect Tenant's business operations on the Premises, or (iv) adversely affect Tenant's access to the Premises or the truck court serving the Premises.

3. TERM

3.1 **Term**. The Term of this Lease (the "**Term**") shall commence on the Closing Date (for purposes hereof, the "**Commencement Date**") and expire on [_____][1], which is the last day of the one hundred twentieth (120th) full calendar month after the Commencement Date (the "**Expiration Date**"), unless extended or sooner terminated pursuant to any provision hereof. The "Closing Date" shall be defined as it is in that certain Commercial Contract and Addendum of Additional Terms dated as of July 23, 2026, by and between Landlord (as assigned by Redfearn Capital Acquisitions, LLC), as buyer, and 420 SOUTH CONGRESS AVENUE, LLC, a Florida limited liability company (which is an affiliate of Tenant), as seller (as the same may be amended from time to time, the "**Purchase Contract**"). Tenant and Landlord acknowledge and agree that the effectiveness of this Lease is expressly conditioned on Landlord taking fee simple title to the Industrial Center in accordance with the Purchase Contract, at which time, this Lease shall become fully effective and enforceable. If the Purchase Contract is terminated or Landlord otherwise does not close on the Industrial Center in accordance with the Purchase Contract, then this Lease shall be wholly void and of no force and effect.

3.2 **Option to Extend.** Tenant shall have the option to extend this Lease for three (3) additional terms of five (5) years each (each, an "**Option**", with such extension periods being referred to, as applicable, as the "**Extended Term**") under the same terms and conditions as pertain to the original Term, except for the payment of Base Rent, which shall be determined in accordance with the terms of this Section 3.2, and excluding any upfit work, beneficial rent period or tenant construction allowance. Notice of Tenant's exercise of the Option ("**Tenant's Option Notice**") shall be given to Landlord not less than three hundred (300) days and not more than five hundred forty-eight (548) days prior to the expiration of the original Term. Except as otherwise provided herein, without any further instrument, lease, or agreement, the Term shall be so extended to include the applicable Extended Term upon the giving of such notice by Tenant. Notwithstanding anything herein to the contrary, Tenant shall have no right to exercise any Option if Tenant has ever been in default under this Lease beyond any applicable notice and cure periods nor shall any Option be effective if Tenant is in default at the commencement of the Extended Term subject to

[1] To be inserted based upon actual Closing Date.

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such Option. Notwithstanding anything to the contrary in this Lease, the Option is personal to the named Tenant herein and any Permitted Assignee (defined below) thereto.

Provided Tenant exercises an Option in accordance with the provisions of this Section 3.2, the Base Rent payable by Tenant to Landlord for the first (1st) year of the applicable Extended Term (the "**Extension Base Rent**") shall be the FMRV (defined in **Exhibit D** attached hereto and incorporated herein). Annual percentage escalations to Base Rent during the applicable Extended Term shall be three and one-half percent (3.5%).

4. **RENT**.

4.1 **Base Rent.** Tenant shall pay to Landlord as base rent ("**Base Rent**" and together with all Additional Rent (as hereinafter defined) and other amounts due from Tenant to Landlord hereunder, "**Rent**") for the Premises, monthly payments in accordance with the following chart, in advance, on the first day of each month of the Term hereof, commencing as of the Commencement Date.

TIME PERIOD	BASE RENT PSF	ANNUAL BASE RENT	MONTHLY BASE RENT
Lease Year 1	$14.25	$1,432,395.75	$119,366.31
Lease Year 2	$15.78	$1,586,189.82	$132,182.49
Lease Year 3	$16.33	$1,641,475.27	$136,789.61
Lease Year 4	$16.90	$1,698,771.10	$141,564.26
Lease Year 5	$17.49	$1,758,077.31	$146,506.44
Lease Year 6	$18.10	$1,819,393.90	$151,616.16
Lease Year 7	$18.73	$1,882,720.87	$156,893.41
Lease Year 8	$19.39	$1,949,063.41	$162,421.95
Lease Year 9	$20.07	$2,017,416.33	$168,118.03
Lease Year 10	$20.77	$2,087,779.63	$173,981.64

For purposes hereof, "Lease Year 1" shall mean the period commencing on the Commencement Date and expiring on the date that is twelve (12) full months after the Commencement Date. By way of example only, if the Commencement Date was October 15, 2026, Lease Year 1 would be October 15, 2026 to October 31, 2027 (i.e. the date that is twelve (12) full months after the Commencement Date). Each subsequent Lease Year shall refer to each twelve (12) month period following Lease Year 1 that falls within the Term (in the aforementioned example, Lease Year 2 would be November 1, 2027 – October 31, 2028, Lease Year 3 would be November 1, 2028 – October 31, 2029, and so on).

a. Base Rent for any period during the Term hereof which is for less than one month shall be a pro rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Landlord via ACH / direct deposit to[2]:

Name of Bank: _____

[2] To be inserted at Closing Date.

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ABA Routing No.: _____
Name on Account: _____
Account No.: _____
Account Type: Checking ☐ or Savings ☐

Or via check to such other persons or at such other places as Landlord may from time to time designate in writing.

b. The payments described above do not include sales and use tax. In addition to the Rent, as defined herein, Tenant shall be responsible for and pay all applicable sales and use tax (if any) on the Rent at the then current promulgated rate by applicable governing authorities.

c. Landlord and Tenant hereby acknowledge and agree that pursuant to the terms of the Purchase Contract, Tenant has paid Landlord $2,230,850.55 (the "**Prepaid Rent**"), which represents the total estimated Rent for Lease Year 3. Provided that Tenant has never been in default under the terms of this Lease beyond any applicable notice and cure periods, the Prepaid Rent shall be applied against Rent for Lease Year 3.

4.2 **Operating Expenses.** Tenant shall pay to Landlord during the Term hereof, in addition to the Base Rent, Tenant's Prorata Share, as hereinafter defined, of all Operating Expenses, as hereinafter defined during each calendar year of the Term of this Lease (the "**Additional Rent**"), in accordance with the following provisions:

(a) "**Tenant's Prorata Share**" is defined, for purposes of this Lease, as that fraction the numerator of which is the number of square feet in the Premises and the denominator of which is the gross leasable square footage of the buildings in the Industrial Center, as the same may be increased or decreased from time to time, with Tenant's Prorata Share being equitably adjusted to reflect any such change effective as of the date thereof. As of the Effective Date, Tenant's Prorata Share is equal to 52.55%.

(b) "**Operating Expenses**" shall include, without limitation, Real Property Taxes (defined below), Insurance Premiums (defined below), all charges for electricity, gas, water and other utilities used in the Industrial Center ("**Common Utilities**"), all charges, salaries, and expenses incurred for owning, operating, managing (which shall include a property management fee not to exceed four percent (4%) of the gross rents collected at the Industrial Center), equipping, insuring (including, but not limited to, the costs of all premiums and deductibles paid by Landlord in connection with such insurance), lighting, painting, cleaning, maintaining, repairing, replacing (save and except roof, elevator, and structural replacements), resurfacing, and maintaining the Industrial Center (and placing and keeping the same in compliance with Laws (defined below), including (but not limited to) the Common Areas; outside and underground utility lines and water retention facilities; canopies and facades; maintenance and repair of the roof and exterior walls (but not including full replacements thereof); structural components (but only maintenance and repairs thereof and not full replacements of same); security services (if provided for the Industrial Center); exterior pest control; dumpster and trash charges (unless separately billed to Tenant); Permitted Capital Expenditures (defined below); and all equipment, supplies and material and the total cost for all personnel and services necessary to

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implement all of the above items. Notwithstanding anything herein to the contrary, the following shall not be included in Operating Expenses: (1) reserves maintained by Landlord, (ii) any costs associated with the sale, financing or refinancing of the Building or Adjacent Property, including without limitation, advertising, marketing, consulting, points, brokerage commissions, appraisals or any other expenses, (iii) any charge for Landlord's income taxes, excess profit taxes, franchise taxes, or similar taxes on Landlord's business, (iv) any costs of Landlord which should be apportioned either in whole or in part to other properties within Landlord's portfolio; (v) costs incurred by Landlord that are actually reimbursed by insurance proceeds; (vi) amounts for which Landlord is entitled to be reimbursed by other tenants or insurers; (vii) bad debt loss, rent loss or reserves for bad debt or rent loss; (viii) cost of items considered capital expenditures including but not limited to replacements, improvements and equipment under GAAP, save and except for Permitted Capital Expenditures, which shall be included in Operating Expenses; (ix) depreciation or amortization of the Building or Adjacent Property or equipment and any interest or other financing charge; (x) costs arising from the gross negligence or willful misconduct of Landlord, its employees, agents or contractors; (xi) cost of goods and services provided by Landlord, its subsidiaries or affiliates to the extent that such cost exceeds the cost rendered by unaffiliated third parties on a competitive bid basis; (xii) salaries and benefits of Landlord's employees or building management above the grade of building manager for the property; (xiii) Landlord's corporate overhead and administrative expenses; (xiv) any profit, other than property management fee as described above; (xii) costs and expenses incurred in connection with lease, sublease and/or lease assignment negotiations and transactions with present or prospective tenants or other occupants of the Building, including, without limitation, leasing commissions, attorney's fees, consulting fees and space planning costs; (xiii) tenant allowances, monetary inducements and other costs of installation of tenant improvements (including permit, licensing and inspection fees) in connection with preparing space for a new (or existing) tenant or a vacant space available for lease; (xiv) costs incurred due to the violation by Landlord or any other tenant of the terms and conditions of any lease pertaining to the Building or Adjacent Property; (xv) penalties and fines specific to non-compliance with any applicable Governmental Code (including but not limited to building, fire and ADA), except as a result of Tenant's use; (xvi) costs arising from the presence and removal of Hazardous substances from the Premises, Building or Adjacent Property except as a result of Tenant's use; (xvii) penalties and interest charges as a result of not paying bills when due or within any grace period; (xviii) accountants' and attorneys' fees and court costs and other such professional expenses incurred by Landlord in connection with (1) negotiations or disputes with existing tenants or prospective tenants, brokers, purchasers, mortgagees of the Building or in enforcing remedies in the event of tenant defaults, and/or (2) any mortgaging, financing, refinancing, development, sale, or change of ownership of the Building; (xix) third party accounting and legal fees relating to ownership, construction, leasing, sale or litigation; (xx) marketing and promotional costs of any kind including but not limited to the availability of rental space in the Building and Adjacent Property, advertising or promoting the building and/or leases concluded; and (xxi) signage within or on the Property identifying the owner and/or managing agent for the Building (and Adjacent Property); (xxii) costs related to Landlord's charitable or political contributions.

Notwithstanding anything to the contrary, throughout the Term, Tenant shall be provided an annual cap on controllable operating expenses ("**Controllable Operating Expenses**"), so that in each calendar year, Controllable Operating Expenses shall not exceed a sum greater than six

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percent (6%) over the immediate prior calendar year on a cumulative and compounding basis. The following shall not be deemed to constitute Controllable Operating Expenses: Common Utilities and all other utility charges of any kind; Real Property Taxes and any other taxes, assessments or impositions; Insurance Premiums and any deductibles paid by Landlord in connection with insurance; Permitted Capital Expenditures and the amortization thereof; security services; exterior pest control; dumpster and trash charges; expenses subject to a change in Federal, State or local minimum wage, prevailing wage or employee benefits laws; expenses arising from any governmental mandate, change in Laws, or requirement of any insurer or governmental authority; expenses caused by a casualty, force majeure event, or the act or omission of any third party not under Landlord's control.

As used herein, "**Permitted Capital Expenditures**" means capital improvements or expenditures that (i) are required by laws and regulations mandated after the Effective Date, (ii) reasonably expected or intended to reduce Operating Expenses, or (iii) that relate to the safety or security of the Industrial Center, provided that the amount of any such capital expenditure shall be amortized over the shorter of its useful life or ten (10) years and only the annual amortization of such capital expenditure shall be charged as Operating Expense in any given year. Notwithstanding anything herein to the contrary, full replacements to the roof, elevator, or the structure of the Building shall not be included as Operating Expenses and shall be at the sole cost and expense of Landlord; provided, however, that repairs, maintenance, and all other work performed on such items that are not full replacements shall be included as Operating Expenses.

(c) "**Insurance Premiums**" shall mean the cost of the premiums and any deductibles paid by Landlord for the liability insurance maintained by Landlord under Section 7.2 hereof and the property insurance policy maintained by Landlord under Section 7.3 hereof and any other insurance maintained by Landlord in connection with its ownership of the Premises, the Building, or Industrial Center.

(d) The inclusion of the improvements, facilities and services set forth in Section 4.2(b) of the definition of Operating Expenses shall **not** be deemed to impose an obligation upon Landlord to either have said improvements or facilities, or to provide those services unless the Industrial Center already has the same, Landlord already provides the services, or Landlord has agreed elsewhere in this Lease to provide the same or some of them.

(e) An amount shall be estimated by Landlord from time to time of Tenant's Prorata Share of Operating Expenses and the same shall be payable monthly during each twelve-month period of the Term, on the same day as the Base Rent is due hereunder. Landlord estimates (but does not guarantee) Tenant's Prorata Share of Operating Expenses for the 2026 calendar year at $5.71 per square foot. Landlord shall use commercially reasonable efforts to deliver to Tenant within ninety (90) days after the expiration of each calendar year a certified statement showing Tenant's Prorata Share of the actual Operating Expenses identifying costs by category in line item fashion incurred during the preceding year (the "**Expense Statement**"); provided, however, that Landlord's failure to render the Expense Statement or delay in rendering the Expense Statement shall not prejudice or waive Landlord's right to thereafter render such a statement, nor shall Landlord be prevented from modifying, updating, or correcting any such statement after delivery thereof, provided that under all circumstances the Expense Statement shall be delivered to Tenant no later than one year following the end of a calendar year failing which

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such later delivery shall not obligate Tenant to pay any deficiency. If Tenant's payments under this Section 4.2(e) during said preceding year exceed Tenant's Prorata Share as indicated on said statement, Tenant shall be entitled to credit the amount of such overpayment against Tenant's Prorata Share of Operating Expenses next falling due or refunded to Tenant with the Expense Statement if the Expense Statement is received after the Expiration Date. If Tenant's payments under this paragraph during said preceding year were less than Tenant's Prorata Share as indicated on the Expense Statement, Tenant shall pay to Landlord the amount of the deficiency within thirty (30) days after receipt of the Expense Statement from Landlord to Tenant.

In addition, within ninety (90) days after receiving the Expense Statement for a particular calendar year, Tenant shall have the right to provide Landlord with written notice (the "**Review Notice**") of its intent to review Landlord's books and records relating to the Expense Statement for such calendar year. Within a reasonable time after receipt of a timely Review Notice and subject to Tenant executing a confidentiality and non-disclosure agreement reasonably acceptable to Landlord, Landlord shall make such books and records available to Tenant or Tenant's agent for its review at Landlord's office at the Premises (which review will consist solely of determining the accuracy of the applicable Expense Statement), provided that if Tenant retains an agent to review Landlord's books and records for any calendar year, such agent must (i) be an independent certified public accountant or nationally recognized lease audit firm, and (ii) not be compensated on a contingency basis. Tenant shall be solely responsible for any and all costs, expenses and fees incurred by Tenant or Tenant's agent in connection with such review and Tenant shall continue to pay all Operating Expenses and other amounts becoming due under the Lease during the pendency of any audit. If Tenant elects to review Landlord's books and records, within thirty (30) days after such books and records are made available to Tenant, Tenant shall have the right to give Landlord written notice stating in reasonable detail any objection to the Expense Statement for such calendar year. If Tenant fails to give Landlord written notice of objection within such thirty (30) day period or fails to provide Landlord with a Review Notice within the ninety (90) day period provided above, Tenant shall be deemed to have irrevocably approved the Expense Statement. Upon Landlord's receipt of a timely objection notice from Tenant, Landlord and Tenant shall work together in good faith to resolve the discrepancy between the Expense Statement and Tenant's review. If Landlord and Tenant determine that Operating Expenses for the calendar year in question are less than reported, Landlord shall provide Tenant with a credit against future Operating Expenses in the amount of any overpayment by Tenant; provided if the Term expires prior to the determination of such overpayment, Landlord shall refund such overpayment to Tenant after first deducting the amount of any Rent due hereunder and if Landlord and Tenant determine that the Operating Expenses for the calendar year in question are less than reported by more than seven percent (7%), Landlord shall promptly pay to Tenant, Tenant's actual, out of pocket costs (including reasonable attorneys' and accountants' fees) directly related to the audit in an amount not to exceed Five Thousand Hundred and 00/100 Dollars ($5,000.00). Likewise, if Landlord and Tenant determine that Operating Expenses for the calendar year in question are greater than reported, Tenant shall immediately pay to Landlord the amount of underpayment by Tenant with the understanding that there shall be no interest or late charge added thereto at the time same is billed to Tenant by reason of the failure of Tenant to previously have paid same when the excess was billed for such reviewed period. The provisions of this Section 4.2(e) shall survive the expiration or earlier termination of this Lease.

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(f) If the Industrial Center is not at least ninety-five percent (95%) occupied during any calendar year of the Term or if Landlord is not supplying services to ninety-five percent (95%) of the Industrial Center at any time during any calendar year of the Term, actual Operating Expenses for purposes hereof shall be determined as if the Industrial Center had been ninety-five percent (95%) occupied and Landlord had been supplying services to ninety-five percent (95%) of the Industrial Center during such year. Any necessary extrapolation of Operating Expenses under this Section shall be performed by adjusting the cost of those components of Operating Expenses that are impacted by changes in the occupancy of the Industrial Center to the cost that would have been incurred if the Project had been ninety-five percent (95%) occupied and Landlord had been supplying services to ninety-five percent (95%) of the Project.

5. **USE AND COMPLIANCE**.

5.1 **Permitted Use**. The Premises may be used as a general office use, warehouse use, distribution facility use, or first-class veterinary pharmacy (and uses related thereto), in compliance with all applicable laws and regulations and for no other use (the "**Permitted Use**"). Tenant shall be responsible for, at its sole cost and expense, obtaining and maintaining any and all applicable permits, licenses, or approvals required to operate the Premises in accordance with the Permitted Use, including, without limitation, those needed to operate a pharmacy. Tenant shall indemnify Landlord from any and all costs, expenses, losses, obligations, or liabilities, associated with Tenant's failure to comply with the foregoing requirements.

5.2 **Compliance with Law**.

(a) Tenant shall, at Tenant's expense, comply promptly with any covenants, conditions or restrictions of record, or any applicable building code, regulation or ordinance, including, but not limited to, Americans with Disabilities Act of 1990 ("**ADA**"), including changes made by the ADA Amendments Act of 2008 (P.L. 110-325), which became effective on January 1, 2009 or any applicable laws (collectively, "**Laws**") becoming effective during the Term or any part of the Term hereof due solely to Tenant's use of the Premises for the Permitted Use. Tenant shall neither use nor permit the use of the Premises in any manner that will create waste or a nuisance, violate Laws or, if there shall be more than one tenant in the Building, disturb other tenants. Further, Tenant shall not place any load on any floor in the Premises or attach anything to the Premises that exceeds the load per square foot which the floor or other surface was designed to carry, and Tenant shall not connect any machinery or other item to the electricity that would overload the electrical capacity for the Premises unless Tenant makes and pays for such modifications necessary to add electrical capacity.

(b) Tenant hereby represents and warrants to Landlord that Tenant shall not cause, permit or allow any Hazardous Material to be placed, stored, dumped, dispensed, released, discharged, used, sold, transported, or located on or within any portion of the Premises or the Industrial Center by Tenant or its servants, agents, employees, contractors, subcontractors, licensees, assignees which are in violation of Environmental Laws. Tenant shall immediately notify Landlord of the existence of any Hazardous Materials or violation of Environmental Laws with respect to the Industrial Center. Tenant agrees to promptly clean up any Hazardous Materials which were at any time placed in the Premises or the Industrial Center by Tenant or its servants,

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agents, employees, contractors, subcontractors, licensees, assignees or subtenants and to remediate and remove any such contamination relating to the Premises or the Industrial Center, as appropriate, at Tenant's cost and expense, in compliance with all Laws then in effect and to Landlord's reasonable satisfaction, at no cost or expense to Landlord. Failure by Tenant to promptly remediate any such hazardous condition or to otherwise comply with the provisions of this Section 5.2(b) shall constitute a Material Default under this Lease. Tenant agrees to indemnify, defend and hold Landlord and Landlord's partners, officers, directors, members, affiliates, employees and agents harmless from any costs, expenses, attorneys' fees or liabilities arising from or relating to any Hazardous Materials which were at any time placed in the Premises or the Industrial Center by Tenant or its servants, agents, employees, contractors, subcontractors, licensees, assignees or subtenants and to any claims of Tenant's violations of Environmental Laws. The provisions of this Section 5.2(b) shall survive the termination or earlier expiration of this Lease. "**Environmental Laws**" shall mean any and all applicable Laws, and judicial opinions (federal, state, or local) pertaining to Hazardous Materials or that otherwise deal with, or relate to, air or water quality, air emissions, soil or ground conditions or other environmental matters of any kind. "**Hazardous Materials**" shall mean any waste, material or substance (whether in the form of liquids, solids or gases, and whether or not airborne) that is or may be deemed to be or include a pesticide, petroleum, asbestos, polychlorinated biphenyl, radioactive material, urea formaldehyde or any other pollutant or contaminant that is or may be deemed to be hazardous, toxic, ignitable, reactive, corrosive, dangerous, harmful or injurious, or that presents a risk to public health or to the environment, and that is or becomes regulated by any Environmental Laws.

5.3 **Condition of Premises**.

Tenant acknowledges and agrees that it is currently in possession of the Premises and accepts same in its AS-IS, WHERE-IS condition, with all faults, if any. Landlord makes no representation or warranty as to the condition of the Premises, except as expressly provided for herein. Other than Landlord's express obligations under this Lease, Landlord shall have no obligations to maintain, repair or replace the Premises or any portion thereof. Tenant shall be solely responsible for any and all furniture, fixtures and equipment in the Premises at Tenant's sole cost and expense.

6. MAINTENANCE, REPAIRS AND ALTERATIONS.

6.1 **Landlord's Obligations**. Landlord shall keep in good order, condition and repair the paving, driveways, fencing, parking areas, sidewalks, landscaping, signs, ground floor lobby, exterior walls and exterior glass of the Building, as well as the roof, foundations and structural integrity of the Premises and Building; provided, however, that this Landlord obligation shall not pertain to any damage caused by Tenant or Tenant's employees, contractors or invitees. The cost of Landlord's obligations shall be passed through to Tenant as Operating Expenses, save and except the costs for full roof or structural replacement, which shall be borne solely by Landlord. Tenant shall promptly report in writing to Landlord any defective condition known to Tenant which Landlord is required to repair in accordance with the terms hereof. Except as expressly provided herein, Landlord shall not be required to complete any repairs or maintenance.

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6.2 **Tenant's Obligations**.

(a) Tenant, at Tenant's sole cost and expense, shall keep the interior walls and surfaces and interior of the Premises in good order, condition and repair, and in full compliance with applicable Laws, including, but not limited to, windows, doors and plate glass, floors, loading docks (whether interior or exterior), rollup doors (interior and exterior) and associated improvements (including doors) exclusively serving the Premises, Tenant's generators which serve the Premises, Tenant's signs, interior pest control and janitorial. Tenant shall be responsible for the cost of repairing any damage to the Premises resulting from the action or inaction of Tenant or any Tenant Party, and any damage to the Building or Industrial Center resulting from the negligence or intentional misconduct of Tenant or any Tenant Party. At Tenant's sole cost and expense, Tenant also shall be responsible for keeping the Common Areas directly outside of the Premises clean and free of trash and maintaining its signs, utility installations, mechanical systems, plumbing systems, and the electrical systems and the heating, ventilation, and air conditioning ("HVAC") equipment located in or exclusively serving the Premises (and Tenant must have a quarterly maintenance contract that includes the services set forth on **Schedule 6.2(a)** attached hereto for its HVAC equipment from a contractor approved by Landlord). For the avoidance of doubt, Tenant shall be responsible for necessary replacements of the aforementioned items, including, without limitation, the HVAC.

(b) If Tenant fails to perform Tenant's obligations under this **Section 6.2** or under any other provision of this Lease beyond any applicable notice and cure periods set forth in this Lease, Landlord may (but is not obligated to) at Landlord's option, enter upon the Premises (except in the case of emergency, in which case no notice shall be required), perform such obligations on Tenant's behalf and put the Premises in good order, condition, and repair, and the cost thereof, together with interest at the maximum rate permitted under applicable Laws, shall be due and payable as Additional Rent to Landlord within ten (10) days after Tenant's receipt of an invoice therefor.

(c) On the last day of the Term hereof, or on any sooner termination of this Lease, Tenant shall surrender the Premises to Landlord in a substantially similar condition as received, broom clean and free of debris in and in accordance with the requirements of Schedule 6.2(c) hereof, but ordinary wear and tear, additions and alterations approved by Landlord, and damage by fire or casualty or the elements excepted. Tenant shall be permitted to remove Tenant's machinery, equipment, trade fixtures and furnishings; provided, however, that, in removing same, Tenant shall, at its expense, repair in a good and workmanlike manner any damage to the Premises caused by such removal in a manner such as to restore the area so affected to substantially the same condition as would have existed had such trade fixtures and equipment not been installed.

6.3 **Alterations and Additions**.

(a) Tenant shall not make any alteration, improvement, or addition in, on or about the Premises, the Building, or the Building systems without Landlord's prior written consent, in Landlord's sole and absolute discretion, except as otherwise provided in Section 6.3(c) hereinbelow. Should Tenant make any alteration, improvement, or addition without the prior approval of Landlord, Landlord may require that Tenant remove any or all of the same at Tenant's

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expense. Tenant shall pay to Landlord upon demand all of Landlord's actual and reasonable costs and expenses (including, without limitation, the actual and reasonable fees of any architect or engineer incurred by Landlord for such purpose) for reviewing plans and specifications and inspecting, monitoring, or otherwise overseeing any alterations.

(b) Any alterations, improvements, or additions in or about the Premises which Tenant shall desire to make, and which requires the consent of Landlord, shall be presented to Landlord in written form with proposed detailed plans. If Landlord shall give its consent, the consent shall be deemed conditioned upon Tenant acquiring a permit to perform the work from appropriate governmental agencies, if required. Tenant shall furnish a copy of the permit to Landlord prior to commencement of the work, and Tenant shall comply with all conditions of said permit in a prompt and expeditious manner.

(c) Notwithstanding the foregoing, Tenant shall have the right to make Cosmetic Changes to the interior of the Premises without requiring Landlord's prior written consent, but with prior written notice thereof to Landlord. "Cosmetic Changes" shall mean non-structural minor alterations of a decorative nature consistent with current décor of the Premises for which a building permit is not required, which are not visible from the exterior of the Premises, which are performed in accordance with the terms and conditions hereof (save and except for obtaining Landlord's consent, provided that prior written notice is delivered to Landlord) and which do not have an anticipated cost (per project) in excess of $75,000.00. If a project qualifying as a Cosmetic Change exceeds $75,000.00, then Landlord's consent shall be required, but such consent shall not be unreasonably withheld, conditioned or delayed.

(d) Tenant shall give Landlord not less than ten (10) days' notice prior to the commencement of any work in, on or about the Premises, and Landlord shall have the right to post notices of non-responsibility in, on or about the Premises as provided by law. Tenant shall pay, when due, all claims for labor or materials furnished to or for Tenant at or for use in the Premises. Tenant shall not cause or allow the Premises, the Building or the Industrial Center to become subject to any lien or any claim of lien, charge or encumbrance whatsoever arising from the action or inaction of Tenant or any Tenant Party (defined below).

(e) All alterations, improvements, and additions which may be made on the Premises shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term; provided, however, Tenant's machinery, equipment, trade fixtures and furnishings shall remain the property of Tenant and may be removed by Tenant subject to the provisions of Section 6.2(c) hereinabove. Further, if Landlord so advises Tenant at the time of Landlord's approval of plans for any alterations, improvements or additions, Tenant shall remove the same and restore any damage caused thereby upon the expiration or earlier termination of this Lease as part of Tenant's surrender of the Premises in accordance with the terms hereof.

(f) Nothing in this Lease, nor any action or inaction by Landlord, shall be deemed or construed in any way as constituting a request by Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialmen, supplier or mechanic for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Premises or any part thereof. In accordance

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with the applicable provisions of Florida Statutes Chapter 713, Tenant has no authority to and shall not create any liens for labor or material on or against the Industrial Center or any interest therein, and no such liens shall extend to the interest of Landlord in the Premises under any circumstances. Tenant agrees to notify all contractors, subcontractors, laborers, materialmen, suppliers or mechanics, involved with work or improvements on the Premises that such party must look only to Tenant or Tenant's other property interests for payment. All contractors, subcontractors, laborers, materialmen, suppliers or mechanics may be put on notice of this Section 6.3(f) by the recordation, at Landlord's option, of a notice or memorandum of this lease in accordance with Florida Statutes 713.10 in the Public Records of Palm Beach County and Tenant shall cause all contractors, subcontractors and suppliers which provide labor and/or materials to the Premises to be provided with notice, prior to and as a condition of the performance of any labor or delivery of any materials to the Premises, or take such action as Landlord may request to inform and notify all contractors, subcontractors and suppliers which provide labor and/or materials to the Premises that Landlord has elected, in accordance with Florida Statutes 713.10, to prohibit Tenant and all contractors, subcontractors and suppliers which provide labor and/or materials to the Premises on Tenant's behalf from attaching any lien for labor thereon or materials furnished. Notwithstanding the foregoing, Tenant shall cause any mechanics' or materialmen's liens incurred as a result of construction work or labor performed or materials furnished by or at the direction of Tenant to be promptly paid, bonded or otherwise discharged, and hereby agrees to indemnify and hold Landlord harmless from any cost or expense occasioned thereby. If any such lien remains of record after thirty (30) days' notice from Landlord to Tenant to remove same, then Landlord may bond, discharge or satisfy same in such manner as it deems appropriate and charge the costs and expenses thereof, including, without limitation, reasonable attorneys' fees, to Tenant, and Tenant shall pay same to Landlord upon demand, together with interest at the maximum rate permitted under applicable Laws. This Section 6.3(f) shall survive the expiration or earlier termination of the Lease.

7. **INSURANCE; INDEMNITY**.

7.1 **Liability Insurance – Tenant**. Tenant shall, at Tenant's expense, obtain and keep in force during the Term of this Lease:

(a) Commercial General Liability insurance, including Contractual Liability and Business Interruption Insurance, with coverage in amounts not less than $2,000,000 for Bodily Injury and Property Damage Liability each occurrence, $2,000,000 for Personal and Advertising Injury Liability, and $2,000,000 General Aggregate naming Landlord, Landlord's management agent (if any) and, if required, Landlord's lender, as additional insureds by endorsement unless Tenant's primary policy provides such coverage;

(b) causes of loss – special form property insurance in an amount not less than the full replacement cost of all additions, improvements and alterations to the Premises, including coverage for all plate glass in or on the Premises, together with business interruption insurance with a limit of liability of $600,000;

(c) Automobile Liability insurance with a limit of not less than $1,000,000 Combined Single Limit – Each Accident for owned, non-owned and hired vehicles; provided that if Tenant does not own any vehicles, Tenant shall maintain Non-Owned and Hired

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Automobile Liability coverage in such amount, which coverage may be endorsed to Tenant's Commercial General Liability policy;

(d) Workers' compensation insurance as required by applicable law, together with Employers Liability insurance with limits of not less than $1,000,000 Bodily Injury for Each Accident, $1,000,000 Bodily Injury by Disease for Each Employee, and $1,000,000 Bodily Injury by Disease Aggregate;

(e) Follow Form Umbrella Liability insurance with limits of not less than $5,000,000 per occurrence and $5,000,000 aggregate; and

(f) Any other insurance reasonably required by Landlord.

The policies shall insure performance by Tenant of the indemnity provisions of this Section 7. The limits of said insurance shall not, however, limit the liability of Tenant hereunder. Landlord, its members, managers, parent, affiliates and subsidiaries, and their respective successors and assigns, shall be shown as additional insureds on all policies required hereunder other than the workers' compensation and Employers Liability policies, and all insurance maintained by Tenant hereunder shall be primary and non-contributory with respect to any insurance carried by Landlord. Tenant shall provide Landlord with a current copy of each required insurance policy on an annual basis. Tenant shall be obligated to pay any and all deductibles in connection with such insurance policies.

7.2 **Liability Insurance – Landlord**. Landlord shall obtain and keep in force during the Term of this Lease a policy of combined single limit bodily injury and property damage insurance covering the Buildings in the Industrial Center for all loss or damage by fire and such other risks as are insurable under their available standard forms of "special form" (previously known as "all risk") for the full replacement value, insuring Landlord, but not Tenant, against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Tenant shall reimburse Landlord for the full cost of such insurance policies pursuant to Section 4.2 hereinabove, including, but not limited to, the costs of all premiums and any deductibles paid in connection with such insurance policies.

7.3 **Property Insurance**. Landlord may, but has no obligation to, obtain certain policies of insurance with respect to the Industrial Center. Tenant shall reimburse Landlord for the full cost of such insurance policies pursuant to Section 4.2 hereinabove, including, but not limited to, the costs of all premiums and any deductibles paid in connection with such insurance policies.

7.4 **Insurance Policies**. Insurance required hereunder shall be in companies holding a "General Policyholder's Rating" of at least A- VIII, or such other rating as may be required by a lender having a lien on the Premises, as set forth in the most current issue of "Best's Insurance Guide". The insuring party shall furnish evidence of said renewal certificates within thirty (30) days of the expiration date thereof. Each policy required hereunder shall provide that it may not be canceled or materially modified without at least thirty (30) days' prior written notice to Landlord, except that ten (10) days' prior written notice shall be sufficient in the case of cancellation for non-payment of premium. All of the insurance requirements set forth herein on

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the part of Tenant to be observed shall be deemed satisfied if covered under a blanket insurance policy complying with the limits, requirements and criteria contained in this Section 7.

7.5 **Waiver of Subrogation**. Tenant and Landlord each hereby release and relieve the other, and waive their entire right of recovery against the other, for loss or damage to the waiving party, or to its property or the property of others under its control, arising out of or incident to a peril insured against herein, including deductibles, at the time of such loss or damage, which peril occurs in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their respective agents, employees, contractors or invitees. Landlord and Tenant shall cause each of their respective insurance policies to provide that the insurance company waives all rights of recovery by way of subrogation against either Landlord or Tenant in connection with any damage covered by any such policy.

7.6 **Indemnity**. Except for the willful misconduct or gross negligence of Landlord or Landlord's agents, employees, representatives or invitees, Tenant shall indemnify, defend and hold Landlord harmless from and against any and all claims of third parties arising from (a) any breach of or default in the performance of any obligation on Tenant's part to be performed under the terms of this Lease, (b) any act, omission, fault or negligence of Tenant, Tenant's agents, contractors, employees, representatives or invitees (collectively, "**Tenant Parties**" and each a "**Tenant Party**"), (c) Tenant's use of the Premises, (d) the conduct of Tenant's business at the Premises, or (e) any activity, work or things done, permitted or suffered by Tenant in or about the Premises by Tenant or any Tenant Party, and from and against all actual costs, reasonable attorneys' fees, expenses and liabilities actually incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Landlord by reason of any such claim, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense with counsel reasonably acceptable to Landlord. The liability of Tenant, and any indemnities provided by Tenant, shall not extend to hazardous materials that were not placed in, on or about the Premises by Tenant, or by any Tenant Party.

Except for the willful misconduct or gross negligence of Tenant or Tenant Parties, Landlord shall indemnify, defend and hold Tenant harmless from and against any and all claims of third parties arising from (a) any breach of or default in the performance of any obligation on Landlord's part to be performed under the terms of this Lease, (b) any activity, work or things done in or about the Industrial Center by Landlord or Landlord's agents, contractors, employees, representatives or invitees (collectively, "**Landlord Parties**" and each a "**Landlord Party**"), and from and against all actual costs, reasonable attorneys' fees, expenses and liabilities actually incurred in the defense of any such claim or any action or proceeding brought thereon. In case any action or proceeding be brought against Tenant by reason of any such claim, Landlord, upon notice from Tenant, shall defend the same at Landlord's expense with counsel reasonably acceptable to Tenant.

8. DAMAGE OR DESTRUCTION.

8.1 Definitions.

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(a) "**Premises Partial Damage**" shall herein mean damage or destruction to less than fifty percent (50%) of the square footage of the Premises as same existed immediately prior to such damage or destruction.

(b) "**Premises Total Destruction**" shall herein mean damage or destruction to more than fifty percent (50%) of the square footage of the Premises as same existed immediately prior to such damage or destruction.

(c) "**Industrial Center Total Destruction**" shall mean if the Industrial Center is damaged or destroyed to more than twenty-five percent (25%) of the land area.

(d) "**Insured Loss**" shall herein mean damage or destruction which was caused by an event required to be covered by the insurance described in Section 7.

8.2 **Premises Partial Damage**. Subject to the provisions of Sections 8.4 and 8.5, if at any time during the Term of this Lease there is damage which falls into the classification of Premises Partial Damage, then Landlord shall repair such damage, but only to the extent such damage is actually covered by insurance proceeds and Landlord shall not be required to begin the repair work until such proceeds are received. If Landlord fails to complete such repair work within eighteen (18) months after the date of the casualty (the "**Repair Period**"), and provided that the Premises Partial Damage materially and adversely affects Tenant's business operations as determined by Tenant in its commercially reasonable discretion, Tenant shall have the right to terminate the Lease without cost or further liability by delivering written notice of such termination to Landlord within fifteen (15) days after the expiration of the Repair Period, which termination shall be effective fifteen (15) days after Landlord's receipt of such notice. If Tenant fails to deliver such termination notice within such fifteen (15) day period, Tenant shall be deemed to have irrevocably waived its right to terminate this Lease on account of such Premises Partial Damage. Notwithstanding the foregoing, should Landlord's estimate to complete the repairs exceed eighteen (18) months, then Tenant shall have the right to terminate the Lease without cost or further liability, provided that Tenant delivers Landlord notice within thirty (30) days of receipt of Landlord's estimate.

8.3 **Premises Total Destruction, Industrial Center Total Destruction**. If at any time during the Term of this Lease there is damage which falls into the classification of Premises Total Destruction, or Industrial Center Total Destruction, then Landlord may, at its option and in its sole and absolute discretion, either (i) repair such damage within eighteen (18) months after the date of the occurrence of such damage (the "**Total Destruction Repair Period**"), or (ii) give notice to Tenant, within sixty (60) days after the date of the occurrence of such damage, of Landlord's intention to cancel and terminate this Lease as of the date of the occurrence of such damage. Notwithstanding the foregoing should Landlord not complete the repairs to the Premises within the Total Destruction Repair Period, then Tenant shall have a one-time right to terminate the Lease by providing Landlord not less than thirty (30) days' notice of such termination, which notice must be provided within fifteen (15) days after the expiration of the Total Destruction Repair Period, and if Tenant fails to deliver such notice within such fifteen (15) day period, Tenant shall be deemed to have irrevocably waived its right to terminate this Lease on account of such damage.

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8.4 **Damage Near End of Term**. If at any time during the last six (6) months of the Term of this Lease there is damage, whether or not an Insured Loss, which damage results in the loss of use of more than twenty percent (20%) of the Premises, either Landlord or Tenant may at its option cancel and terminate this Lease as of the date of occurrence of such damage by giving written notice to the other of its election to do so within thirty (30) days after the date of occurrence of such damage.

8.5 **Abatement of Rent**. In the event of damage described herein in which this Lease remains in effect, provided that the damage was not caused by the negligence or willful misconduct of Tenant, the Rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Tenant's use of the Premises is impaired.

8.6 **Waiver**. Landlord and Tenant waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

9. **REAL PROPERTY TAXES**.

9.1 **Payment of Tax**. Landlord shall pay prior to delinquency at the highest discounted rate all Real Property Tax, as defined in Section 9.3, applicable to the Industrial Center, subject to reimbursement pursuant to Section 4.2 hereinabove.

9.2 **Additional Improvements**. Tenant shall pay to Landlord the entirety of any increase in real property tax if assessed solely by reason of additional improvements placed upon the Premises by Tenant, or at Tenant's request, after the Commencement Date.

9.3 **Definition of "Real Property Tax"**. As used herein, the term "**Real Property Tax**" shall include any form of real estate tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes), as may from time to time be increased, adjusted or reassessed (other than from the sale of the Industrial Center or any part thereof), that are imposed on the Premises by any authority having the direct or indirect power to tax, including any city, state or federal government, or any school, agriculture, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Landlord in the Premises or in the real property of which the Premises or the Industrial Center are a part, as against Landlord's right to rent, and as against Landlord's business of leasing the Premises. The term "Real Property Tax" shall also include any tax, fee, levy, assessment or charge (i) in substitution of, partially or totally, any tax, fee, levy, assessment or charge hereinabove included within the definition of "real property tax", or (ii) the nature of which was hereinbefore included within the definition of "real property tax".

9.4 **Joint Assessment**. If the Premises is not separately assessed, Real Property Taxes allocated to the Premises shall be an equitable proportion of the Real Property Taxes for all of the land and improvements included in the tax parcel assessed, such proportion to be determined

by Landlord and Tenant from the respective valuations assigned in the assessor's work sheets or such other information as may be reasonably available.

9.5 **Personal Property Taxes**. Tenant shall pay prior to delinquency all taxes assessed against and levied upon machinery, trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises. When possible, Tenant shall cause said machinery, trade fixtures, furnishings, equipment and all other personal property to be assessed and billed separately from the real property of Landlord.

10. **UTILITIES**. Tenant shall pay for all cable, telephone, internet, trash collection and other utilities and services supplied solely to the Premises, together with any taxes thereon. No interruption in or temporary stoppage of any of the utility services this Article 10 describes is to be deemed an eviction or disturbance of Tenant's use and possession of the Premises; provided, however, that if any such interruption or temporary stoppage is primarily caused by a negligent act or willful misconduct of Landlord and requires Tenant to cease operations for more than five (5) consecutive days, then Tenant shall provide notice to Landlord of such interruption on the sixth (6th) day that the interruption continues, and Base Rent and Additional Rent hereunder shall abate until such interruption or temporary stoppage ceases. If Tenant fails to timely provide notice of the interruption to Landlord, Tenant shall be deemed to have waived its right to any rental abatement in connection with such interruption.

11. **ASSIGNMENT AND SUBLETTING**. Tenant may not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Tenant's interest in this Lease, or in the Premises, to any party without first obtaining the prior written consent of Landlord which may be granted or withheld in Landlord's reasonable discretion. In the event Landlord does not respond to Tenant's request within ten (10) business days, then Landlord shall be deemed to have rejected such assignment, transfer, mortgage, sublease or encumbrance. For the avoidance of doubt, any change in ownership of Tenant (directly or indirectly) shall be deemed an assignment for purposes of this Section 11; provided, however, any change in the ownership of Tenant to a Permitted Assignee shall not require Landlord's consent. For purposes of this Section 11, Landlord shall be deemed to have reasonably withheld its consent if Landlord determines that any of the following applies: (i) the proposed assignee or subtenant (each, a "**Transferee**") has, with respect to an assignee, a tangible net worth, creditworthiness or financial strength less than the greater of that of Tenant as of the Effective Date or as of the date of the proposed transfer, or is otherwise not financially capable of performing the obligations to be assumed; (ii) the Transferee's proposed use of the Premises is not the Permitted Use, or would increase parking demand, management demand, traffic, or the risk of the presence or release of Hazardous Materials, or would violate any exclusive use right, restrictive covenant or other agreement affecting the Industrial Center; (iii) the Transferee or any affiliate of the Transferee is an existing tenant or occupant of the Industrial Center or of any other property owned by Landlord or its affiliates, or has within the preceding twelve (12) months negotiated or discussed with Landlord or its affiliates the leasing of space in the Industrial Center; (iv) the Transferee is a governmental or quasi-governmental entity, agency or subdivision, a school, a medical, dental or veterinary practice open to the public, or an employment or staffing agency, or the proposed use would attract heavy pedestrian traffic or be inconsistent with the character or tenant mix of the Industrial Center; (v) the proposed transfer would result in the Premises being occupied by more

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than one occupant or divided into more than one leasable unit; (vi) the rent payable under the proposed sublease is less than the then-prevailing market rate for comparable space in the Industrial Center; (vii) a Default by Tenant exists under the Lease; (viii) Tenant has failed to deliver to Landlord all information requested by Landlord regarding the Transferee, including financial statements, the proposed transfer documents and a description of the proposed use; (ix) the Transferee, or any person or entity controlling the Transferee, has been the subject of a bankruptcy, insolvency, receivership or similar proceeding, has a history of defaults under leases, or is or has been engaged in litigation with Landlord or any of its affiliates; (x) the Transferee is not a person or entity of good reputation and character, or the identity or business of the Transferee would adversely affect the reputation, value or financing of the Industrial Center; (xi) the proposed transfer would cause Landlord to be in violation of, or would trigger any obligation, consent requirement or default under, any mortgage, ground lease or other agreement encumbering the Industrial Center, or would violate any applicable Law; or (xii) Tenant has not agreed to remain fully liable under this Lease, jointly and severally with the Transferee, notwithstanding such transfer. The foregoing enumeration is illustrative and not exclusive, and Landlord expressly reserves the right to withhold consent on any other reasonable ground. Tenant shall pay a $5,000.00 fee for legal review in connection with any proposed assignment or sublease.

No subletting or assignment (including any to a Permitted Assignee) shall release Tenant or Tenant's obligations hereunder, or alter the primary liability of Tenant to pay Rent and to perform all other obligations to be performed by Tenant hereunder, unless otherwise released in writing by Landlord; provided, however, that, any subsequent amendment or modification to this Lease to increase Tenant's obligations hereunder entered into between Landlord and any assignee or sublessee of Tenant shall be unenforceable against Tenant unless the written consent of Tenant shall have first been obtained.

The acceptance of Rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof.

Notwithstanding anything herein to the contrary, in the event that Landlord consents to any assignment, sublease, or transfer in accordance with the terms hereof, then Landlord shall be entitled to receive fifty percent (50%) of the excess of: (i) all rental amounts and other consideration payable by the assignee, subtenant, or transferee thereof; over (ii) the Rent and other sums payable by Tenant under this Lease after first deducting the subleasing costs incurred by Tenant including but not limited to tenant improvement allowance and brokerage commissions. Tenant shall pay such excess amount to Landlord concurrently with Tenant's receipt thereof.

Notwithstanding the foregoing, Tenant shall have the right, without Landlord's consent but by providing Landlord with at least thirty (30) days prior written notice (unless prohibited by applicable Laws), to transfer or assign this Lease or sublet any portion or the whole of the Premises to (i) any wholly-owned or substantially wholly-owned direct subsidiary company of Tenant, (ii) any company succeeding to all or substantially all of the assets of Tenant as a result of a consolidation or merger, (iii) an entity (or a direct or indirect subsidiary of an entity) to which all or substantially all of the assets of Tenant or Tenant's operation at the Premises have been sold, or (iv) an entity (or a direct or indirect subsidiary of an entity) to which all or substantially all of the voting capital stock of Tenant has been sold (collectively, a "**Permitted Assignee**").

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12. **DEFAULTS; REMEDIES**.

12.1 **Defaults by Tenant**. The occurrence of any one or more of the following events shall constitute a "**Material Default**" and breach of this Lease by Tenant.

(a) The abandonment of the Premises as evidenced by Tenant vacating the Premises or ceasing normal operations in the Premises for a period of ten (10) consecutive days (other than for renovations, casualty or condemnation events).

(b) The failure by Tenant to make any payment of Rent or any other payment required to be made by Tenant hereunder, as and when due and such failure to pay by Tenant continues for a period greater than five (5) business days following Tenant's receipt of written notice from Landlord that such payment was not received; provided that Landlord shall only be required to provide such notice to Tenant no more than once in any twelve (12) month period, with any subsequent late payment being an immediate Material Default without requirement of any notice and cure period.

(c) Except as otherwise addressed in this Section 12.1, the failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant where such failure shall continue for a period of thirty (30) days after the receipt of notice thereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, in Landlord's sole but reasonable discretion, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion for a period of up to ninety (90) days except in the case of events requiring longer periods of time (e.g. construction permit and construction are required).

(d) If Tenant makes a general assignment for the benefit of creditors, or if Tenant commences an action, or any case, proceeding or other action is commenced or an order is entered against Tenant as debtor under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or any receiver or trustee is appointed for all or substantially all of the assets of Tenant and is not discharged within thirty (30) days after such appointment or ninety (90) days with respect to a non-voluntary bankruptcy.

(e) If Tenant fails to carry insurance required to be carried by Tenant hereunder or if Tenant allows a lien in violation of the terms of Section 6.3(f) hereof.

(f) If Tenant fails to obtain and/or maintain all licenses, permits and approvals required to operate the Premises for the Permitted Use.

(g) Tenant sublets, transfers, or assigns this Lease in violation of Section 11 hereof.

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12.2 **Remedies**. In the event of any such Material Default by Tenant, Landlord shall have the right to pursue any one or more of the following remedies available to Landlord under Florida law:

(a) Terminate this Lease upon notice to Tenant and Tenant shall remain liable for all Rents and all other obligations accruing under this Lease through and including the date of such termination as it becomes due hereunder;

(b) Terminate Tenant's right to possession of the Premises without terminating the Lease, in which case, Tenant shall immediately surrender possession of the Premises to Landlord and Landlord shall take possession of the Premises on the account of Tenant;

(c) Maintain Tenant's right to possession in which case this Lease shall continue in effect whether or not Tenant shall have abandoned the Premises. In such event Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due hereunder and Tenant shall remain liable for all of its obligations under this Lease;

(d) Without terminating this Lease or possession and without being liable for any claim for damages therefor, Landlord may enter the Premises and maintain the Premises and any portion thereof or otherwise do anything for which Tenant is responsible hereunder. Tenant shall reimburse Landlord immediately upon demand for any reasonable and actual expenses which Landlord incurs in effecting Tenant's compliance under this Lease.

(e) Accelerate all Rent for the unused portion of the Term and declare such Rent immediately due and payable and Landlord may collect the then present value of such Rent (calculated using a discount rate equal to the discount rate of the branch of the Federal Reserve Bank closest to the Premises in effect as of the date of the default).

(f) Pursue any other remedy and any combination of remedies now or hereafter available to Landlord under the laws or judicial decisions of the State wherein the Premises are located.

Upon any Material Default, if Landlord terminates this Lease or terminates Tenant's possession only, Landlord at Landlord's option, may remove persons and property from the Premises and such property, if any, may be removed and stored in a warehouse or elsewhere or disposed of, at the cost and for the account of Tenant, all without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby, and Landlord may (but has no obligation to) relet the Premises or any portion thereof as the agent of Tenant, upon such terms and conditions as Landlord may deem necessary or desirable, and without giving any preference to reletting the Premises over any other available premises at the Industrial Center.

Further, upon any Material Default, Landlord shall be entitled to recover from Tenant damages incurred by Landlord by reason of Tenant's default consisting of the reasonable cost of recovering possession of the Premises, reasonable expenses of reletting, including reasonably necessary repairs to the Premises, reasonable attorney's fees, and costs in connection with enforcing

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Landlord's remedies, the amount of any tenant inducements provided to Tenant, and the amount of any real estate commission actually paid.

Upon any reletting, all rentals received by Landlord shall be applied: first, to any amounts due to Landlord with respect to such reletting; second, to the payment of any indebtedness (other than any Rent due hereunder) due from Tenant to Landlord; third, to the payment of any reletting costs not otherwise paid by Tenant; fourth, to the payment of Rent then due and unpaid hereunder; and the residue, if any, shall be Landlord's sole and unrestricted property. If such rentals received from such reletting shall at any time and from time to time be less than sufficient to pay to Landlord the entire sums then due hereunder and Landlord's damages associated with such default, Tenant shall pay any such deficiency to Landlord. Notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for any such previous default.

Landlord shall use commercially reasonable efforts to mitigate its damages; provided, however, that Landlord's duty to mitigate damages shall not require Landlord to prioritize reletting the Premises over other vacant properties owned or managed by Landlord or its affiliates, nor shall it obligate Landlord to accept a replacement tenant whose financial condition, business reputation, or proposed use of the Premises is not satisfactory to Landlord, in its sole and absolute discretion.

12.3 **Defaults by Landlord**. Landlord shall not be in default under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than thirty (30) days after receipt of notice from Tenant to Landlord, specifying wherein Landlord has failed to perform such obligation; provided, however, that, if the nature of Landlord's obligation is such that more than thirty (30) days are required for performance then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion for a period of up to ninety (90) days except in the case of events requiring longer periods of time (e.g. construction permit and construction are required). Landlord shall act with commercial reasonableness with respect to any emergency situation, including those which involve imminent harm to persons or property.

12.4 **Tenant Remedies**. If Landlord fails to cure the default as specified in any notice provided for in Section 12.3 above, Tenant, without waiving any of its rights or remedies hereunder, shall have the option to pursue any and all rights or remedies available at law or in equity with respect to the default.

13. **CONDEMNATION**. If the Premises or any portion thereof are taken under the power of eminent domain or sold under the threat or the exercise of said power (all of which are herein called "**condemnation**"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than fifty percent (50%) of the floor area of the Premises, or more than seventy-five percent (75%) of the Industrial Center, is taken by condemnation, or any other percentage of the interior portions of the Premises that would result in Tenant's continued operations at the Premises to be impracticable, Tenant may, at Tenant's option, to be exercised in writing within thirty (30) days after Landlord shall have given Tenant notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession) terminate this Lease as of the date the

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condemning authority takes such possession. If Tenant does not terminate this Lease in accordance with the foregoing, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the Rent shall be reduced by the proportion that the floor area of the Premises taken bears to the total floor area of the Premises. Any award for the taking of all or any part of the Premises by condemnation or any payment made under threat of the exercise of condemnation shall be the property of Landlord, whether such award shall be made as compensation for diminution in value of the leasehold or for the taking of the fee, or any severance damages. Provided, however, that Tenant shall be entitled to recover any such compensation as may be awarded by condemnor or recoverable from condemnor by Tenant in its own right for Tenant's moving or relocation costs, goodwill, the loss of, damage to, or taking of Tenant's machinery, equipment, trade fixtures or furnishings (meaning personal property, whether or not attached to the real property, which may be removed without substantial injury to the Premises) and any other amount in addition to the foregoing that does not reduce the amount of the award payable to Landlord. Tenant shall have the right to negotiate directly with condemnor for the portion of the award Tenant is entitled to hereunder. If this Lease is not terminated by reason of such condemnation, Landlord shall use commercially reasonable diligence to repair any damage to the Premises caused by such condemnation, at Landlord's sole cost and expense.

14. **ESTOPPEL CERTIFICATE**. Within ten (10) business days after receipt of notice, at the request of either Landlord or Tenant, such party shall execute, acknowledge and deliver to the requesting party, in the form reasonably required by the requesting party, a statement in writing that includes, without limitation, (i) a certification that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect); (ii) the Commencement Date and the Expiration Date, and the existence of any unexercised option(s) to extend the Term of this Lease, if any; (iii) the date to which the Rent and other charges are paid in advance, if any; (iv) the existence of any security deposits and/or the Letter of Credit, if any, and (v) acknowledging that there are not, to the best of such party's knowledge, any uncured defaults on the part of either party hereunder, or specifying such defaults if any are claimed. Any such statement may be conclusively relied upon by any prospective purchaser, encumbrancer or assignee of the Premises. Notwithstanding the foregoing, Tenant shall only be entitled to request an estoppel certificate from Landlord in connection with a sale or all or a majority of Tenant or Tenant's assets and in the event of Tenant financing.

15. **LANDLORD'S LIABILITY**. The term "Landlord" as used herein shall mean only the owner or owners at the time in question of the fee title of the Premises or any part thereof, and in the event of any transfer of such title or interest, Landlord herein named (and in case of any subsequent transfers then the grantor) shall be relieved from and after the date of such transfer of all liability as respects Landlord's obligations thereafter to be performed, except for any obligation or liability of Landlord that accrued on or before the date of such transfer, and, for the avoidance of doubt, Landlord is entitled to freely convey, sell, assign, or otherwise transfer all or any portion of its interest in the Premises, the Building, the Adjacent Property, the Industrial Center, or any portion thereof. Landlord represents and warrants that any funds in the hands of Landlord or the then grantor at the time of such transfer (including, without limitation, any advance payments of Rent, security deposits, prepayments of any kind or nature, estimated payments, or payments on account) in which Tenant has an interest shall be delivered or credited to the grantee and credited to Tenant's account. The obligations contained in this Lease to be performed by Landlord shall,

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subject to the aforesaid, be binding on Landlord's successors and assigns, only during their respective periods of ownership. Notwithstanding the foregoing, in the event that the owner of the Premises and the owner of the Adjacent Premises are different at any point during the Term, then immediately upon the occurrence of same, the Adjacent Premises shall automatically be excluded from the definition of the "Industrial Center" hereunder without the necessity of any amendment hereof, and Tenant shall have no rights or obligations associated with the Adjacent Premises, except for any Operating Expenses reconciliation rights or obligations as set forth in Section 4.2(e).

16. **SEVERABILITY**. The invalidity or unenforceability of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity or enforceability of any other provision hereof.

17. **INTEREST ON PAST-DUE OBLIGATIONS**. In the event any rental or other payment required to be made hereunder by Tenant is not made when due, then Tenant shall pay Landlord, as Additional Rent, a late charge in an amount equal to the greater of: (i) five percent (5%) of the amount due; or (ii) one hundred fifty and no/100 dollars ($150.00). If the rental or other payment together with the late charge is not made within five (5) days of the due date, then and from the five (5) day period all such rental and late charges shall bear interest at the lesser of (i) the Prime Rate (as published by the Wall Street Journal as of the fifth (5th) day that the payment remains outstanding) plus 6.5%, or (ii) the maximum rate permitted by law until paid. Payment of such interest shall not excuse or cure any default by Tenant under this Lease and the collection of late charges and interest shall not be the sole remedy of Landlord in the event of such default and, in such event, Landlord may exercise any and all other rights or privileges granted to Landlord under this Lease or applicable law.

18. **TIME OF ESSENCE**. Time is of the essence of this Lease and each of its provisions.

19. **ADDITIONAL RENT**. Any monetary obligations of Tenant to Landlord under the terms of this Lease that are not specifically defined shall be included under the definition of "Additional Rent", which is further included in "Rent".

20. **INCORPORATION OF PRIOR AGREEMENTS; AMENDMENTS**. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified or amended in writing only, signed by the parties in interest at the time of the modification.

21. **NOTICES**. Any notice required or permitted to be given hereunder shall be in writing and given by any of the following means of delivery: personal delivery, electronic mail, USPS certified mail/return receipt requested (postage prepaid), or by overnight delivery (i.e., Federal Express, United Parcel Service, or DHL Express, with charges prepaid or charged to the sender's account), to the corresponding address stated on the signature page hereof and as set forth below. If given personally, by certified mail or by overnight delivery, said notice shall be deemed received if evidenced by a signed delivery receipt (if delivered by personal delivery) or written verification of delivery by the USPS, or confirmation of delivery (if by an overnight delivery service.) If delivery is refused, or multiple attempts at delivery are unsuccessful, delivery shall be

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deemed to have been effectuated as of the date first attempted by personal delivery, by postmark, or by recorded attempts at delivery, as the case may be. Either party may specify a different notice address by providing notice, as herein specified, to the other party no less than ten (10) business days prior to its effective date.

22. **WAIVERS**. No waiver of any provision of this Lease shall be implied by any failure of either party to enforce any remedy for the violation of that provision, even if that violation continues or is repeated. Any waiver by any party of any provision of this Lease must be in writing. Such written waiver shall affect only the provision specified and only for the time and in the manner stated in the writing.

23. **RECORDING**. Neither Landlord nor Tenant shall record this Lease or any "short form" memorandum of lease.

24. **HOLDING OVER**. If Tenant, without Landlord's express written consent, remains in possession of the Premises or any part thereof after the expiration of the Term hereof, such occupancy shall be a tenancy at sufferance upon all the provisions of this Lease pertaining to the obligations of Tenant, except that Base Rent shall increase to one hundred fifty percent (150%) of the rate in effect at the expiration of the Lease for the first (1st) thirty (30) days of such holdover and thereafter Base Rent shall increase to two hundred percent (200%) of the rate in effect at the expiration of the Lease, and Tenant shall pay Landlord any actual losses or damages incurred as a result of holding over.

25. **CUMULATIVE REMEDIES**. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

26. **COVENANTS AND CONDITIONS**. Each provision of this Lease performable by Tenant and Landlord shall be deemed both a covenant and a condition.

27. **BINDING EFFECT; CHOICE OF LAW, CONFLICT, ETC**. This Lease shall bind the parties and their respective personal representatives, successors and assigns. This Lease shall be governed by the laws of the State wherein the Premises are located. Any conflict between the printed provisions of this Lease and the typewritten or handwritten provisions shall be controlled by the typewritten or handwritten provisions. Landlord and Tenant agree that, in any controversy, dispute, or contest over the meaning, interpretation, validity, or enforceability of this Lease or any of its terms or conditions, there shall be no inference, presumption, or conclusion drawn whatsoever against either party by virtue of that party having drafted this Lease or any portion thereof.

28. **SUBORDINATION**. Tenant shall, upon written request by Landlord, execute and deliver any commercially reasonable instrument to subordinate this Lease to any mortgages, deeds of trust, or any other hypothecation or security interest now or hereafter placed upon the real property of which the Premises is a part and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof, In furtherance of the foregoing, Tenant shall execute a commercially reasonable "Subordination, Non-Disturbance, and Attornment Agreement" within ten (10) business days after demand in

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writing, by Landlord. If any mortgagee, trustee or ground landlord shall elect to have this Lease prior to the lien of its mortgage, deed of trust or ground lease, and shall give notice thereof to Tenant, this Lease shall be deemed prior to such mortgage, deed of trust, or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease, or the date of recording thereof.

29. **ATTORNEYS' FEES**. If either party named herein brings an action in a court of competent jurisdiction to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorneys' fees and court costs to be paid by the losing party as fixed by the court.

30. **LANDLORD'S ACCESS**. Landlord and Landlord's agents, if accompanied by Tenant or Tenant's agent, with not less than twenty-four (24) hours' advance notice, shall have the right to enter the Premises, at reasonable times during Tenant's normal business hours, for the purpose of inspecting or repairing same, except in the event of an emergency whereby a phone call to Tenant's representative prior to entry shall suffice as notice. No prospective tenants shall have access to the Premises unless and until Tenant fails to timely elect to extend the Term in accordance with Section 3.2 hereinabove.

31. **SIGNS**. Tenant shall place no banners or signs upon the windows, outside walls, outside of the Premises or roof of the Premises without the prior written consent of Landlord, in Landlord's sole and absolute discretion. Upon the expiration or earlier termination of this Lease, Tenant agrees to promptly remove all signage on the Premises. Tenant shall be responsible to Landlord for any damage caused by installation, use, maintenance and removal of its signs. After five (5) business days' notice to Tenant to remove any sign or rectify any condition in violation of Landlord's sign criteria, or in violation of this Section 31, Landlord may remove such sign or rectify such condition and charge any expenses incurred in so doing to Tenant as Additional Rent. Notwithstanding the foregoing, Landlord agrees that it shall approve Tenant's installation of a a sign on the Building in the current space of the "Levenger" sign, reflecting Tenant's name in corporate colors and illuminated (if required by Tenant), subject to all governmental approvals, and provided that Tenant deliver to Tenant a rendering of such signage in advance for approval, which approval shall not be unreasonably withheld, conditioned or delayed. For the avoidance of doubt, Landlord may add other signage to the Building, in Landlord's sole and absolute discretion.

32. **MERGER**. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, or a termination by Landlord, shall not work a merger, and shall, at the option of Landlord, terminate all or any existing subtenancies or may, at the option of Landlord, operate as an assignment to Landlord of any or all of such subtenancies.

33. **QUIET POSSESSION**. Upon Tenant paying Rent for the Premises and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet enjoyment, possession and use of the Premises and the common areas, if any, for the entire Term hereof, including any extensions thereof, subject to all of the provisions of this Lease. Nothing contained herein shall be construed to otherwise limit any implied covenant of quiet enjoying to Tenant in law or in equity.

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34. **EASEMENTS**. Landlord reserves to itself the right, from time to time, to grant such easements, rights and dedications that Landlord deems necessary or desirable, and to cause the recordation of parcel maps and restrictions, so long as such easements, rights, dedications, maps and restrictions do not unreasonably interfere with, limit or restrict the intended use and enjoyment of the Premises by Tenant, including ingress and egress and amount of parking spaces thereto (provided that as long as the Premises is "legal non-conforming" with respect to parking, then there shall be no breach of the foregoing), and Tenant agrees to execute such documents as may be reasonably necessary to effectuate same upon request of Landlord.

35. **CONFIDENTIALITY**. Landlord and Tenant agree that each party shall keep confidential and shall not disclose the terms of this Lease to any party without the other party's written consent (excluding such party's financing parties, attorneys, accountants, other advisors, and potential purchasers, or as otherwise required by law).

36. **AUTHORITY**. The individuals executing this Lease on behalf of Landlord and Tenant represent and warrant to each other that they are fully authorized and legally capable of entering into and executing this Lease and that Landlord's execution is binding upon all parties holding an ownership interest in the Premises. If Tenant or Landlord is a corporation, trust, limited liability company, general or limited partnership, or other entity whose legal status is recognized in its domiciling jurisdiction, each individual executing this Lease on behalf of such entity represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of said entity.

37. **WAIVER OF TRIAL BY JURY**. Each of the parties hereto irrevocably knowingly, voluntarily and intentionally waives any and all right to trial by jury in any legal proceeding arising out of or relating to this Lease or the transactions contemplated hereby.

38. **VENUE**. The parties agree that the laws of the State of Florida shall govern this Lease. Any litigation concerning this Lease may be brought before the courts of Florida and Palm Beach County, Florida shall be the proper venue for any such action.

39. **RELATIONSHIP OF THE PARTIES**. Nothing contained herein shall be deemed or construed by the Parties, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the Parties.

40. **PARTIAL PAYMENTS; PAYMENTS UNDER PROTEST**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly Rent herein stipulated shall be deemed to be other than on account of such stipulated Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment of Rent be deemed an accord and satisfaction or a payment under protest, 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 in this Lease.

41. **BROKER COMMISSION**. The Parties represent and warrant to each other that no broker is owed a commission or finder's fee in connection with this Lease. Each Party agrees to indemnify and hold the other hereunder harmless from and against any claim for any such

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commissions, fees or other form of compensation by any such third party claiming through the indemnifying party, including, without limitation, any and all claims, causes of action, damages, costs and expenses (including attorneys' fees), associated therewith.

42. **LANDLORD'S LIEN AND SECURITY INTEREST**. Tenant hereby grants to Landlord a lien on all furniture, fixtures and equipment ("**FF&E**") of Tenant now or hereafter placed upon the Premises, and such FF&E shall be and remain subject to such Landlord's lien for payment of all Rent and other sums agreed to be paid by Tenant herein in accordance with Florida Statutes 83.08. Landlord agrees to exhaust its rights to the Letter of Credit prior to exercising its rights under this Section 42. Notwithstanding the foregoing, upon Tenant's written request, Landlord shall subordinate Landlord's lien on such FF&E now or hereafter placed in or upon the Premises to the lien of any bona fide third-party lender financing Tenant's acquisition or leasing of such items, provided that such subordination shall apply solely to the specific equipment financed or leased by such lender. In accordance with the foregoing, Landlord shall execute subordination documents reasonably acceptable to Landlord provided that Tenant shall reimburse Landlord for all out-of-pocket costs and expenses associated therewith, including, without limitation, reasonable attorneys' fees.

43. **FORCE MAJEURE**. A "**Force Majeure Event**" is defined as a delay caused by an act of God, a labor strike by a recognized labor union, an inability to obtain building materials due to industry-wide shortages, or a nationally declared emergency, but shall not include a delay that could have been prevented or anticipated, in all likelihood, by the prudent actions of Landlord or Tenant. In the case of Force Majeure, the time for performance by such Party shall be extended by the period of delay resulting from or due to Force Majeure. As a precondition to claiming Force Majeure, the claiming Party must notify the other Party within ten (10) business days after the Force Majeure matter arises or occurs and use commercially reasonable efforts to mitigate the delay. For the avoidance of doubt, a Force Majeure Event shall not apply to or excuse the timely performance of any monetary obligation of Landlord or Tenant under this Lease. Other than as provided in this Section 43, time is of the essence with respect to each obligation under this Lease.

44. **COUNTERPARTS; ELECTRONIC SIGNATURES.** This Lease may be executed in multiple counterparts, each of which shall be considered an original, but all of which shall constitute one and the same agreement. The signature of a party transmitted electronically (e.g., e-signature), by facsimile, or PDF shall constitute and have the same force and effect as the original signature of the party. Following execution, either party may request an ink copy of the other party's signature. A PDF (or similar image file format) of this Lease (whether signed electronically or in ink) shall be considered to be the original agreement for all purposes.

45. **LIMITATION ON LIABILITY**. If Landlord is found to have failed to perform any covenant, term or condition of this Lease, and if Tenant shall recover a money judgment against Landlord for such failure, the judgment shall be satisfied only out of the proceeds of sale received upon execution of the judgment and levy against the right, title and interest of Landlord in the Industrial Center as the same may then be encumbered, and neither Landlord nor any of its partners shall be liable for any deficiency. It is understood that in no event shall Tenant have the right to levy execution against any property of Landlord other than its interest in the Industrial Center. The right of execution shall be subordinate and subject to any mortgage or other

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encumbrance upon the Industrial Center or any portion thereof. No trustee, shareholder, officer, member, director, employee, parent or subsidiary company, Landlord affiliate or partner of Landlord shall in any event or at any time be personally liable for the payment or performance of any obligation required or permitted of Landlord under this Lease or under any document executed in connection herewith. No attachment, execution, writ or other process shall be sought or obtained, and no judicial proceeding shall be initiated by or on behalf of Tenant, against any trustee, shareholder, officer, member, director, employee, parent or subsidiary company, affiliate, or partner of Landlord or Landlord personally or Landlord's assets (other than Landlord's interest in the Industrial Center) as a result of any such failure, breach or default under this Lease, and neither they, nor Landlord nor any Landlord affiliate, shall be liable for any deficiency. Unless specifically set forth in this Lease, under no circumstances shall Landlord be liable under this Lease for any consequential, punitive, incidental, or other special damages.

46. **RECAPTURE.** If Tenant ceases operations in the Premises for a period of sixty (60) days or more, excluding as a result of a casualty, condemnation, or alterations approved by Landlord, or as otherwise permitted by Landlord in writing, then Tenant shall promptly deliver prior written notice to Landlord (the "Stop Operations Notice"), and Landlord shall have the right to terminate this Lease by written notice to Tenant. If Landlord exercises its rights under this Section 46, within sixty (60) days after its receipt of such notice, Tenant shall remove its personal property and surrender the Premises in accordance with the terms hereof; provided that if Tenant commences operations within such sixty (60) day period and Tenant thereafter does not at any time cease operations in the Premises, then Landlord's rights to terminate this Lease shall be void and of no further force and effect. Without limiting and notwithstanding the foregoing, if Tenant ceases operating or conducting its business in the Premises, then Tenant shall: (i) keep the windows of the Premises clean and keep the Premises well-lit and well-appointed during the term of this Lease such that Tenant's business in the Premises will not appear to the general public to have ceased operating (as distinct from closing its doors after Tenant's normal business hours), (ii) provide commercially reasonable security for the Premises during any period that Tenant is not open for business, and (iii) comply with its obligations under this Lease, including, without limitation, payment of Rent and Tenant's maintenance and repair obligations pursuant to the terms of this Lease. Notwithstanding anything to the contrary herein, if Tenant ceases operations and fails to deliver the Stop Operations Notice, then Landlord may at any time thereafter immediately exercise its recapture right set forth in this Section 46, and Tenant shall not have the option of recommencing operations in order to void Landlord's recapture right. For the avoidance of doubt, no closure of Tenant's operations in the Premises shall affect Tenant's responsibility to pay Rent or to otherwise comply with its obligations hereunder.

47. **INTENTIONALLY DELETED.**

48. **PATRIOT ACT**. Each of Landlord and Tenant hereby covenants, represents and warrants to the other that neither it nor its constituents or affiliates are in violation of any laws relating to terrorism or money laundering, including the Executive Order and/or the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56, the "**Patriot Act**"). Further, neither it nor any of its constituents or affiliates is a "Prohibited Person" which is defined as follows:

(a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "Executive Order");

(b) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order;

(c) a person or entity with whom the other party is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering Law, including the Executive Order and the Patriot Act;

(d) a person or entity who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;

(e) a person or entity that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, https://www.treasury.gov/ofac/downloads/sdnlist.pdf or at any replacement website or other replacement official publication of such list; and

(f) a person or entity who is affiliated with a person or entity listed above.

Each of Landlord and Tenant hereby covenants, represents and warrants to the other that neither it nor any of its affiliates or constituents is or will knowingly: (i) conduct any business or engage in any transaction or dealing with any Prohibited Person, including the making or receiving any contribution of funds, goods or services to or for the benefit of any Prohibited Person, (ii) deal in or otherwise engage in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order; or (iii) engage in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Executive Order or the Patriot Act.

49. **RADON**. 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 WHICH 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 OR PUBLIC HEALTH UNIT.

50. **LETTER OF CREDIT**. On the Effective Date, Tenant shall deliver to Landlord an irrevocable standby letter of credit in the amount of $4,214,609.86 (the "**Letter of Credit**"), issued by a federally insured banking institution reasonably acceptable to Landlord, naming Landlord as beneficiary, and otherwise in form and substance reasonably acceptable to Landlord. The Letter of Credit shall (i) permit Landlord to transfer its interest therein to any successor owner of the Premises without the consent of Tenant, (ii) have an expiration date no earlier than sixty

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(60) days after the expiration of the Term, or alternatively provide for automatic annual renewals, (iii) be issued by a banking institution having a long-term unsecured debt rating of at least A- by S&P Global Ratings or A3 by Moody's Investors Service (or, if such ratings are no longer available, the equivalent rating from another nationally recognized rating agency), or such other banking institution reasonably acceptable to Landlord, and (iv) be payable at a branch of the issuing bank located within Palm Beach County, Florida. The Letter of Credit shall be held by Landlord as security for the payment of Rent and the faithful performance by Tenant of all of the terms, covenants, and conditions of this Lease.

If at any time during the Term any Rent shall be overdue and unpaid, or if Tenant shall fail to keep or perform any of the terms, covenants, or conditions of this Lease to be kept or performed by Tenant, then Landlord may, at its option, following the expiration of any applicable notice and cure period afforded to Tenant hereunder, draw upon all or any portion of the Letter of Credit to pay such overdue Rent or to compensate Landlord for any loss or damage sustained or suffered by Landlord as a result of such default. If Landlord draws upon all or any portion of the Letter of Credit, Tenant shall, within five (5) days after receipt of written demand from Landlord, deliver to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit restoring the stated amount thereof to the amount originally required hereunder, and Tenant's failure to do so shall constitute a Material Default. If the issuing bank provides notice that the Letter of Credit will not be renewed, or if the issuing bank no longer satisfies the requirements set forth herein, Tenant shall, no later than thirty (30) days prior to the expiration of the then-current Letter of Credit (or, if later, within ten (10) days after receipt of notice from the issuing bank or Landlord), deliver to Landlord a replacement Letter of Credit complying with the requirements of this Lease. If Tenant fails to timely deliver such replacement Letter of Credit, Landlord shall have the right, without limiting any other rights or remedies available under this Lease, to immediately draw the full amount of the then-existing Letter of Credit and hold the proceeds thereof as security under the terms of this Lease.

Notwithstanding anything herein to the contrary, Landlord shall permit the stated amount of the Letter of Credit to be reduced by the applicable Reduction Percentage (as hereinafter defined) (the amount of such reduction being the "**Reduction Amount**") if: (i) at the expiration of Lease Year 5, Tenant has never been late in the payment of Rent and has otherwise never been in default under the terms of this Lease; and (ii) at the expiration of Lease Year 5, Tenant delivers to Landlord reasonable and verifiable evidence that Tenant has satisfied the Reduction Preconditions (as hereinafter defined). Upon satisfaction of the foregoing conditions, Tenant may deliver to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit reducing the stated amount thereof by the Reduction Amount, whereupon Landlord shall promptly return the original Letter of Credit (if applicable). If Tenant does not satisfy the foregoing conditions as of the expiration of Lease Year 5, then Tenant may thereafter seek a reduction as of the expiration of every second (2nd) Lease Year thereafter (i.e., as of the expiration of Lease Years 7, 9, 11, and so on) (each, a "Subsequent Test Date"), and if the foregoing conditions are satisfied as of any Subsequent Test Date, the stated amount of the Letter of Credit may be reduced by the applicable Reduction Amount (i.e., twenty-five percent (25%) or fifty percent (50%), as applicable) in accordance with this paragraph. For purposes of testing as of any Subsequent Test Date, each reference in this paragraph to "the expiration of Lease Year 5" shall be deemed to refer to such Subsequent Test Date. For purposes hereof, the "Reduction Preconditions" shall mean: (i) at the

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expiration of Lease Year 5, Tenant shall be maintaining unrestricted cash and marketable securities of at least $15,000,000.00 (or, in the case of a fifty percent (50%) Reduction Percentage, at least $30,000,000.00); (ii) at the expiration of Lease Year 5, Tenant shall have reported adjusted earnings before interest, taxes, depreciation, and amortization ("**AEBITDA**") to the Securities and Exchange Commission of at least $7,500,000.00 (or, in the case of a fifty percent (50%) Reduction Percentage, at least $15,000,000.00) for each of the prior two (2) fiscal years; and (iii) Tenant's ratio of Total Funded Debt (as hereinafter defined) to AEBITDA shall not have exceeded 2.0 as of either of the prior two (2) fiscal years; provided, however, that if AEBITDA was less than or equal to zero for either such fiscal year, then the Reduction Preconditions shall automatically be deemed unsatisfied. As used herein, the "Reduction Percentage" shall mean (x) fifty percent (50%), if Tenant satisfies the Reduction Preconditions, including the higher thresholds set forth in the parentheticals in both clauses (i) and (ii) above, or (y) twenty-five percent (25%), if Tenant satisfies the Reduction Preconditions but does not satisfy both such higher thresholds. For purposes hereof, "Total Funded Debt" means the total amount of Tenant's interest-bearing financial obligations, including, without limitation: (i) short-term borrowings (including revolving credit facilities); (ii) long-term debt (including bank loans and term loans); and (iii) capital lease or finance lease obligations.

Notwithstanding the foregoing, if, at any time after the stated amount of the Letter of Credit has been reduced pursuant to the immediately preceding paragraph, Tenant fails to comply with or satisfy the Reduction Preconditions (with such Reduction Preconditions being tested from time to time based on Tenant's then-current financial condition and its two (2) most recently complete fiscal years, as applicable), or if Tenant is otherwise ever in default under the terms of this Lease, then within thirty (30) days after receipt of prior written notice from Landlord, Tenant shall deliver to Landlord an amendment to the Letter of Credit or a replacement Letter of Credit restoring the stated amount thereof to the amount originally required hereunder.

Upon the expiration or earlier termination of the Term, provided Tenant has paid all Rent due hereunder, fully performed all of its obligations under this Lease, and surrendered possession of the Premises to Landlord in accordance with the terms hereof, Landlord shall promptly return the Letter of Credit to Tenant (if then outstanding) or execute such documents as may be reasonably required to terminate the Letter of Credit. The holder of any first mortgage or deed of trust encumbering the Premises shall have no obligation with respect to the Letter of Credit unless such holder succeeds to the interest of Landlord under this Lease and receives an assignment of Landlord's rights as beneficiary thereunder.

51. **FINANCIAL STATEMENTS.** If Tenant's financial statements at any time are no longer publicly available, then at all times thereafter Tenant shall deliver to Landlord: (i) as soon as available, but not later than one hundred fifty (150) days after the end of each fiscal year of Tenant, audited consolidated financial statements of Tenant for such fiscal year, prepared by an independent certified public accountant; (ii) as soon as available, but not later than sixty (60) days after the end of each fiscal quarter, unaudited consolidated financial statements of Tenant; and (iii) within ten (10) business days after Landlord's written request, such other financial information concerning Tenant a as Landlord may reasonably request. Tenant's failure to deliver any of the foregoing within the applicable period shall constitute a Default under this Lease. Such statements shall be certified as true, correct, and complete in all material respects by Tenant (if Tenant is an

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individual) or by an authorized officer of Tenant (if Tenant is a corporation or limited liability company) or a general partner of Tenant (if Tenant is a partnership). Landlord shall be permitted to divulge the contents of any of the statements provided for herein to third parties only if such disclosure is made in connection with any financing arrangements or assignments or other transfers of Landlord's interest in the Premises or in connection with any applicable Laws. Notwithstanding the foregoing, so long as Tenant remains a publicly traded company, the terms of this Article 51 shall not apply or be enforceable against Tenant provided that Tenant complies with applicable Laws related to filing of financial statements.

[Signature Page Follows]

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Landlord and Tenant have carefully read and reviewed this Lease and each term and provision contained herein, have had the opportunity to consult with independent counsel as to their respective rights and obligations under this Lease, and, by execution of this Lease, show their informed and voluntary consent thereto. The Parties hereby agree that, at the time this Lease is executed, the terms of this Lease are commercially reasonable and effectuate the intent and purpose of Landlord and Tenant with respect to the Premises.

The parties hereto have executed this Lease on the dates specified below their respective signatures.

LANDLORD:

[_____],
a [_____]

By: _____
Name: _____
Title: _____

Landlord Notice Address:

_____
_____
Attn: _____
Telephone Number: _____
Email: _____

With copy to:

Kapp Morrison LLP
7900 Glades Road, Suite 550
Boca Raton, Florida 33434
Attn: Lance M. Aker, Esq.
Telephone Number: 561.766.0007
Email: laker@kappmorrison.com

TENANT:

PETMED EXPRESS, INC.,
a Florida corporation

By: _____
Name: _____
Title: _____

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Tenant Notice Address:

_____
_____
Attn: _____
Telephone Number: _____
Email: _____

With copy to:

[Address]
[Address]
Attn: Robert Lawsky, General Counsel
[Phone]
[Email]

With copy to:

[Address]
[Address]
Attention: Leslie Campbell, Chief Executive Officer
[Phone]
[Email]

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Exhibit A

Storage Area[3]

[3] Note to Tenant: Provide as indicated.

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Exhibit B

Legal Description of Industrial Center

Tracts B and C, Replat of Congress Park South, according to the map or plat thereof, as recorded in Plat Book 71, Pages 190 and 191, Public Records of Palm Beach County, Florida.

TOGETHER WITH:

Tracts D, L-1, L-3 and a portion of Tract R, Replat of Congress Park South, according to the map or plat thereof, as recorded. in Plat Book 71, Pages 190 and 191, Public Records of Palm Beach County, Florida, described as follows:

Beginning at the Southwest corner of said Tract D; thence North, along the West boundary of said Tract D, 422.00 feet to the Northwest corner of said Tract L-3; thence East, along the North boundary of said Tract L-3, a distance of 445.99 feet to the Northeast corner of said Tract L-3; thence South, along the East boundary of said Tract L-3, a distance of 94.35 feet to a point of curvature; thence Southeasterly along said East boundary and along the arc of a tangent curve being concave Easterly, having a radius of 1101.74 feet, a delta of 17°52'50", an arc distance of 343.82 feet; thence S25°24'08" W, along the boundary of said Tract L-3, a distance of 34.28 feet; thence S68°41'06" W along said boundary, 26.75 feet; thence S54°05'32" W, 77.85 feet to the Southeast corner of said Tract L-1; thence West, along the South boundary of said Tract L-1, a distance of 52.78 feet to the Southwest corner of said Tract L-1; thence North, along the West boundary of said Tract L-1 and its Northerly prolongation, 97.00 feet; thence West, along South boundary of said Tract D, 343.73 feet to the Point of Beginning.

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Exhibit C

Rules and Regulations

The following rules and regulations have been adopted by Landlord for the general care, protection, and benefit of the Building and for the general comfort and welfare of all tenants of the Industrial Center. To the extent of any discrepancy between this Exhibit C and the terms of the Lease, the terms of the Lease shall govern.

1. Landlord may furnish Tenant two keys serving the front exterior entrance to the Premises without charge. Additional keys may be furnished at a charge determined by Landlord or Landlord's property manager. Tenant may change the lock(s) to the Premises at Tenant's expense upon the express written consent of Landlord. Before or at the end of the Term of this Lease, all locks so changed will be returned to their original keyage. Tenant shall not put additional locks or latches upon any door without the prior written consent of the Landlord. Any locks so added on any door shall remain for the benefit of the Landlord.

2. Tenant shall not at any time occupy any part of the Premises or Industrial Center as sleeping or lodging quarters.

3. Landlord will not be responsible for lost or stolen personal property, equipment, money, or jewelry from the Premises unless caused by the negligence or intentional misconduct of Landlord or any Landlord Party.

4. Employees of Landlord shall not receive or carry messages for or to any tenant or other person, nor contract with or render free or paid services to any tenant or its agents, employees or invitees.

5. None of the parking, sidewalks, plaza, recreation or lawn areas, entries, passages, doors, elevators, hallways or stairways shall be blocked or obstructed, or any rubbish, litter, trash, or material of any nature placed, emptied or thrown into these areas or such area being used by Tenant's agents, employees, contractors or invitees, licensees, patrons or other persons at any time for purposes inconsistent with their designation by Landlord.

6. The water closets and other water fixtures shall not be used for any purpose other than those for which they were constructed, and any damage resulting to them from misuse, or by the defacing or injury of any part of the Building shall be borne by the person who shall occasion it. No person shall waste water by interfering with the faucets or otherwise.

7. Tenant shall not leave any vehicle in a state of disrepair (including without limitation, flat tires, out of date inspection stickers or license plates) on the Premises or Industrial Center. Except for the overnight parking of operative, passenger vehicles, no vehicle of any type may be stored in the parking areas at any time. If a vehicle is disabled, then it must be removed within 48 hours. "For Sale" or other advertising signs on or about any parked vehicle are prohibited. All vehicles must be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking. and no reserved parking,

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numbered or lettering of individual spaces will be permitted except as specified by Landlord. If Tenant or its employees, agents or invitees park their vehicles in areas other than the designated parking areas or leave any vehicle in a state of disrepair, Landlord, after giving written notice to Tenant of such violation, shall have the right to remove such vehicles at Tenant's expense.

8. Any waste removal service and/or containers provided on the property may only be utilized by the tenants for waste originating from the Premises in the conduct of tenant's normal business operations. Under no circumstances may waste products be brought onto the property and disposed of in any containers provided at the property. If the Landlord in its sole discretion determines that any tenant is overburdening the containers with its waste, the tenant may be required to provide their own dumpster facilities and waste removal services upon Landlord's request.

9. Tenant may not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas, or other areas outside of the Premises or on the roof of the Building.

10. Tenant must maintain the Premises free from rodents, insects, and other pests.

11. Landlord reserves the right to exclude or expel from the Property any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who in any manner does any act in violation of the Rules and Regulations.

12. Tenant will give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

13. Tenant may not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Property.

14. All moveable trash receptacles provided by the trash disposal firm for the Property must be kept in the trash enclosure areas, if any, provided for that purpose.

15. No auction, public or private, will be permitted in the Premises or the Property.

16. No awnings may be placed over the windows in the Premises except with the prior written consent of Landlord in its sole discretion.

17. Tenant may not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and must keep all machinery free of vibration, noise, and air waves transmitted beyond the Premises.

18. Tenant shall have the right to bring dogs and cats into the Premises in accordance with applicable laws.

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Exhibit D

FMRV Determination

1. The term Fair Market Rental Value ("**FMRV**") as used in the Lease means the annual amount that a willing tenant would pay, and a willing landlord would accept, in an arm's length transaction for space in a comparable industrial building, located in the same submarket as the Premises, taking into account the size, age, quality and layout of the existing improvements in the Premises, the credit rating of Tenant and any allowances, concessions or inducements, the payment of commissions, and/or any other relevant economic factors associated with such amount for renewal terms or new leases.

2. Upon Landlord's receipt of Tenant's notice, Landlord shall have fifteen (15) days to provide Tenant its' determination of FMRV. Tenant shall have 30 days to advise Landlord that (i) it rejects said determination, or (ii) accept such determination. If Tenant elected to submit the determination of the FMRV for the first (1st) year of the Extended Term to the process contained in this **Exhibit D** in accordance with the Lease, Tenant shall have thirty (30) days after receipt of Landlord's determination to submit to Landlord in writing Tenant's reasonable estimation of the FMRV, after which the parties shall meet and negotiate in good faith attempt to agree on the FMRV. If the Parties cannot agree within thirty (30) days following Landlord's receipt of Tenant's estimation, then within ten (10) business days after such thirty (30) day period (the "**Final Determination Date**"), Landlord and Tenant shall use the following method to determine the FMRV (the "**Three Broker Method**"): within ten (10) business days after the expiration of such thirty (30) day period, each party shall give written notice to the other setting forth the name and address of a Broker (as hereinafter defined) selected by such party who has agreed to act in such capacity, to determine the FMRV. If either party has failed to select a Broker as aforesaid, the FMRV shall be determined by the Broker selected by the other party. Each Broker shall thereupon independently make his determination of the FMRV within twenty (20) days after the appointment of the second Broker. If the two Brokers' determinations are not the same, but the higher of such two values is not more than one hundred five percent (105%) of the lower of them, then the FMRV shall be deemed to be the average of the two values. If the higher of such two values is more than one hundred five percent (105%) of the lower of them, then the two Brokers shall jointly appoint a third Broker within ten (10) days after the second of the two determinations described above has been rendered. The third Broker shall independently make his determination of the FMRV within twenty (20) days after his appointment. The highest and the lowest determinations of value among the three Brokers shall be disregarded and the remaining determination shall be deemed to be the FMRV.

For the purposes of this Article 40, "Broker" shall mean a real estate broker or salesperson licensed in the State of Florida, who has been regularly engaged in such capacity in the business of industrial leasing in the Delray Beach market, for at least ten (10) years immediately preceding such person's appointment hereunder. Each party shall pay for the cost of its Broker and one-half of the cost of the third Broker.

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3. Landlord and Tenant agree that the determination of the FMRV set forth in the Lease, inclusive of this **Exhibit D,** shall be binding upon the parties and that they shall enter into a brief amendment to the Lease confirming the FMRV for the first (1st) year of the Extended Term promptly following its determination hereunder; provided, however, that failing to enter into such amendment shall not alter the binding nature of such determination nor grant either party a right to not lease the Premises for the Extended Term.

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SCHEDULE 6.2(a)

HVAC QUARTERLY MAINTENACE CONTRACT

The HVAC quarterly maintenance contract as required under Section 6.2(a) of the Lease must include, in addition to all services recommended by the equipment manufacturer in its operations / maintenance manual, the following services:

1. Adjust belt tension;
2. Lubricate all moving parts, as necessary;
3. Inspect and adjust all temperature and safety controls;
4. Check refrigeration system for leaks and operation;
5. Check refrigeration system for moisture;
6. Inspect compressor oil level and crank case heaters;
7. Check head pressure, suction pressure and oil pressure;
8. Inspect air filters and replace not less than monthly;
9. Check space conditions;
10. Check condensate drains and drain pans and clean, if necessary;
11. Inspect and adjust all valves;
12. Check and adjust dampers; and
13. Run machine through complete cycle.

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SCHEDULE 6.2(c)

TENANT MOVEOUT RESPONSIBILITIES

ITEM	EXPECTED CONDITION
Ceiling:	1. Replace all damaged, missing and stained tiles and ceiling grid
Dock Doors/ Truck Wells:	1. Repair and replace dented/damaged panels 2. Ensure doors operate properly 3. Leave keys to doors near the locks on inside of the premises 4. Clean truck wells 5. Ensure sump pumps operating properly 6. Replace any missing dock bumpers and repair damage to grade beam 7. Truck levelers are to be put in working order
Doors:	1. Ensure all front and rear doors close and lock properly, leave keys in locks.
Electrical:	1. Ensure all outlets, telephone jacks and switches are in good working order and have face plates
Exterior:	1. Ensure all downspouts and drains are in good condition, replace damaged downspouts and drains 2. Ensure all rail spurs are in tact, if not repair
Floors:	1. Clean tile areas 2. Vacuum all carpet 3. Repair cut and torn carpets 4. Ensure cove base is attached and intact 5. Remove any protrusions from floor area—cut off at floor level 6. Remove any tars, paints, greases or other residue from warehouse floor, sweep, power wash or mop and seal if necessary.
HVAC:	1. Ensure that HVAC is in good operating condition (filters, ducts, thermostats, coils, pan, Freon levels, belt). 2. Clean all HVAC vent returns
Lighting:	1. Ensure all lamps, bulbs and ballasts are in good operating condition 2. Ensure all light lenses covers are intact and if broken replace
Plumbing:	1. Ensure all plumbing fixtures are in good working order 2. Ensure fire sprinklers are in good working order (if applicable) 3. Turn off all gas and equipment and ensure all is in good working order 4. Ensure that any leaks are repaired
Signs:	1. Remove storefront signage 2. Cap off wires if applicable 3. Landlord will patch fascia and bill tenant

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Trash:

1. Dispose of trash/debris within space as well as the exterior rear
2. Remove dumpsters
3. Remove all warehouse racking systems, fences, etc.

Walls:

1. Repair any damage to interior, exterior and demising walls, and paint colored walls white.
2. Repair or replace any damaged structural steel columns (must consult with Property Manager).

Windows:

1. Remove all paint/vinyl/markings/tape except address and suite number
2. Clean windows, mullions and blinds
3. Replace damaged glass
4. Ensure all window blinds are operating properly (remove if necessary)

Hazardous Substances: Remove all Hazardous Substances placed in or about the Premises by Tenant, its employees, agents, contractors or invitees as well as all installations (interior and exterior) made by or on behalf of Tenant relating to the storage, use, treatment, disposal or transportation of Hazardous Substances, and cause such Hazardous Substances and installations to be transported for use, storage or disposal in accordance and compliance with all Hazardous Substances Laws.