
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): April 26, 2019

AMREP CORPORATION

(Exact name of registrant as specified in its charter)

Oklahoma

(State or other jurisdiction of
incorporation)

1-4702

(Commission File
Number)

59-0936128

(IRS Employer
Identification No.)

**620 West Germantown Pike, Suite 175
Plymouth Meeting, PA**

(Address of principal executive offices)

19462

(Zip Code)

Registrant's telephone number, including area code: (610) 487-0905

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 April 26, 2019, Palm Coast Data Holdco, Inc. (“Seller”), a wholly owned indirect subsidiary of AMREP Corporation (“AMREP”), entered into a membership interest purchase agreement (the “Purchase Agreement”) with Studio Membership Services, LLC (“Buyer”). The closing of the transactions contemplated by the Purchase Agreement occurred on April 26, 2019 (the “Closing Date”).

Pursuant to the Purchase Agreement, Buyer acquired AMREP’s fulfillment services business through the purchase from Seller of all of the membership interests (the “Membership Interests”) of Palm Coast Data LLC (“PCDLLC”) (which owns all of the membership interests of FulCircle Media, LLC) and Media Data Resources, LLC (PCDLLC, FulCircle Media, LLC and Media Data Resources, LLC are collectively referred to herein as the “Company Group”).

The purchase price for the Membership Interests was \$1.0 million, which was paid by Buyer to Seller on the Closing Date. In addition, (1) during the period from February 1, 2019 through the Closing Date, the Company Group distributed to Seller and its affiliates (not including the Company Group) \$3.1 million of cash and (2) substantially all of the intercompany amounts of the Company Group due to or from AMREP and its direct and indirect subsidiaries (not including the Company Group) were eliminated through offsets, releases and capital contributions. Buyer and Seller provided customary indemnifications under the Purchase Agreement and provided each other with customary representations, warranties and covenants.

In connection with the Purchase Agreement, PCDLLC entered into two triple net lease agreements, each dated as of the Closing Date (each, a “Lease Agreement” and, together, the “Lease Agreements”), pursuant to which PCDLLC has agreed to lease (1) from Two Commerce LLC (“TC”), a subsidiary of AMREP, a 61,000 square foot facility located in Palm Coast, Florida, and (2) from Commerce Blvd Holdings, LLC (“CBH”), a subsidiary of AMREP, an approximately 143,000 square foot facility in Palm Coast, Florida.

Pursuant to each Lease Agreement, all structural, mechanical, maintenance and other costs associated with the applicable facility being leased are the responsibility of PCDLLC. The term of each Lease Agreement is 10 years. At the option of PCDLLC, the expiration date of each Lease Agreement may be accelerated (1) to the date PCDLLC pays the applicable landlord an amount equal to the present value of all future rent calculated as of the proposed expiration date or (2) to a date within 30 days after the sixth anniversary of the Closing Date if PCDLLC pays the applicable landlord an amount equal to 90% of the present value of all future rent calculated as of the proposed expiration date. Pursuant to the Lease Agreements, PCDLLC will pay to TC and CBH the aggregate annual rent set forth below, which is payable in equal monthly installments in each of the applicable years, subject to a waiver of the payment of rent attributable to the month of May 2019.

Year	Aggregate Annual Rent under Both Lease Agreements
1	\$1,900,000
2	\$1,941,500
3	\$1,985,328
4	\$2,041,564
5	\$2,105,294
6	\$2,181,604
7	\$2,260,585
8	\$2,342,331
9	\$2,426,937
10	\$2,514,505

In connection with the transactions contemplated by the Purchase Agreement, AMREP and its direct and indirect subsidiaries (not including the Company Group) retained their obligations under AMREP's defined benefit pension plan following the Closing Date. The transactions contemplated by the Purchase Agreement and the associated work force reduction with respect to AMREP and its direct and indirect subsidiaries (not including the Company Group) resulted in the acceleration of the funding of approximately \$5.2 million of accrued pension-related obligations to AMREP's defined benefit pension plan pursuant to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the regulations thereunder. AMREP will timely notify the Pension Benefit Guaranty Corporation of the transactions contemplated by the Purchase Agreement and, as permitted by ERISA, make an election to satisfy this accelerated funding obligation over a period of seven years.

Following the Closing Date, AMREP and its remaining subsidiaries have 11 employees focused on real estate acquisition, development, construction and related services.

The foregoing description of the Purchase Agreement and Lease Agreements are summaries only and are qualified in all respects by the provisions of such documents, copies of which are attached hereto as Exhibits 10.1 through 10.3 and are incorporated herein by reference.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.01.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Prior to the Closing Date, Rory Burke was the chief executive officer and president of PCDLLC and FulCircle Media, LLC and was a named executive officer of AMREP. In connection with the closing of the transactions contemplated by the Purchase Agreement, effective as of the Closing Date, Mr. Burke ceased to be a named executive officer of AMREP.

Item 8.01 Other Events.

In accordance with the Change in Control Agreement, dated March 5, 2014, between PCDLLC, Mr. Burke and, for certain limited purposes, AMREP and as a result of the transactions contemplated by the Purchase Agreement, 2,000 restricted shares of AMREP's common stock issued pursuant to the Restricted Stock Award Agreement, dated June 21, 2017, between AMREP and Mr. Burke vested as of the Closing Date and 2,700 restricted shares of AMREP's common stock issued pursuant to the Restricted Stock Award Agreement, dated July 10, 2018, between AMREP and Mr. Burke vested as of the Closing Date.

On April 26, 2019, AMREP issued a press release announcing the Purchase Agreement and transactions related thereto. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The pro forma financial information of AMREP as adjusted to give effect to the transactions contemplated by the Purchase Agreement is presented in the unaudited pro forma condensed consolidated financial statements filed as Exhibit 99.2 and incorporated herein by reference.

(d) Exhibits.

Exhibit Number	Description
<u>10.1</u>	<u>Membership Interest Purchase Agreement, dated as of April 26, 2019, between Studio Membership Services, LLC and Palm Coast Data Holdco, Inc.</u>
<u>10.2</u>	<u>Lease Agreement, dated as of April 26, 2019, made by Palm Coast Data LLC and Two Commerce LLC.</u>
<u>10.3</u>	<u>Lease Agreement, dated as of April 26, 2019, made by Palm Coast Data LLC and Commerce Blvd Holdings, LLC.</u>
<u>99.1</u>	<u>Press Release, dated April 26, 2019, issued by AMREP Corporation.</u>
<u>99.2</u>	<u>Unaudited Pro Forma Condensed Consolidated Financial Statements of AMREP Corporation.</u>

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.

AMREP Corporation

Date: April 26, 2019

By: /s/ Christopher V. Vitale
Name: Christopher V. Vitale
Title: President and Chief Executive Officer

EXHIBIT INDEX

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MEMBERSHIP INTEREST PURCHASE AGREEMENT

by and between

PALM COAST DATA HOLDCO, INC.

and

STUDIO MEMBERSHIP SERVICES, LLC

dated as of April 26, 2019

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	3
Section 1.01 Definitions	3
Section 1.02 Additional Definitions	8
ARTICLE II PURCHASE AND SALE	9
Section 2.01 Purchase and Sale	9
Section 2.02 Purchase Price	9
Section 2.03 Transactions to be Effected at the Closing	10
Section 2.04 Closing	11
ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER	11
Section 3.01 Organization and Authority of Seller	11
Section 3.02 Organization, Authority and Qualification of the Target Group	11
Section 3.03 Capitalization	11
Section 3.04 No Subsidiaries	12
Section 3.05 No Conflicts	12
Section 3.06 Financial Statements	13
Section 3.07 Absence of Certain Changes, Events and Conditions	13
Section 3.08 Material Contracts	13
Section 3.09 Title to Assets; Real Property	14
Section 3.10 Intellectual Property	14
Section 3.11 Legal Proceedings; Governmental Orders	14
Section 3.12 Compliance with Laws; Permits	15
Section 3.13 Environmental Matters	15
Section 3.14 Employee Benefit Matters	15
Section 3.15 Employment Matters	17
Section 3.16 Taxes	17
Section 3.17 Indebtedness	18
Section 3.18 Cash on Hand	18
Section 3.19 Brokers	18
Section 3.20 No Other Representations and Warranties	19
ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER	19
Section 4.01 Organization and Authority of Buyer	19
Section 4.02 No Conflicts; Consents	19
Section 4.03 Brokers	20
Section 4.04 Legal Proceedings	20
Section 4.05 Investment Purpose	20
Section 4.06 Resources Needed for Target	20
Section 4.07 Independent Investigation	20
Section 4.08 Purchase or Sale of AMREP Securities	22
Section 4.09 Acknowledgements.	22

ARTICLE V COVENANTS	22
Section 5.01 Resignations	22
Section 5.02 Non-Competition	22
Section 5.03 Employees; Benefit Plans	23
Section 5.04 Plant Closings and Mass Layoffs	24
Section 5.05 Director and Officer Indemnification and Insurance	24
Section 5.06 Confidentiality	26
Section 5.07 Public Announcements	26
Section 5.08 Smithsonian Agreement Covenants	26
Section 5.09 Further Assurances	26
ARTICLE VI TAX MATTERS	27
Section 6.01 Tax Covenants	27
Section 6.02 Straddle Period	28
Section 6.03 Contests	28
Section 6.04 Cooperation and Exchange of Information	28
Section 6.05 Contribution of Indebtedness	29
Section 6.06 Tax Refunds	29
Section 6.07 Post-Closing Actions	29
Section 6.08 Tax Treatment	29
ARTICLE VII INDEMNIFICATION	29
Section 7.01 Survival	29
Section 7.02 Indemnification by Seller	30
Section 7.03 Indemnification by Buyer	30
Section 7.04 Certain Limitations	31
Section 7.05 Indemnification Procedures	32
Section 7.06 Tax Treatment of Indemnification Payments	34
Section 7.07 Buyer Setoff Right	34
Section 7.08 Exclusive Remedies	34
ARTICLE VIII MISCELLANEOUS	34
Section 8.01 Expenses	34
Section 8.02 Notices	35
Section 8.03 Interpretation	36
Section 8.04 Headings	36
Section 8.05 Severability	36
Section 8.06 Entire Agreement	36
Section 8.07 Successors and Assigns	36
Section 8.08 No Third Party Beneficiaries	36
Section 8.09 Amendment and Modification; Waiver	36
Section 8.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial	37
Section 8.11 Specific Performance	38
Section 8.12 Counterparts	38

MEMBERSHIP INTEREST PURCHASE AGREEMENT

This MEMBERSHIP INTEREST PURCHASE AGREEMENT (this “**Agreement**”), dated as of April 26, 2019, is entered into by and between Palm Coast Data Holdco, Inc., a Delaware corporation (“**Seller**”), and Studio Membership Services, LLC, a Delaware limited liability company (“**Buyer**”). Buyer and Seller may each be referred to herein as a “**Party**,” and, together, as the “**Parties**.”

RECITALS:

WHEREAS, Seller is the sole member of Palm Coast Data LLC, a Delaware limited liability company (“**Palm Coast**”), and holds the entire membership interest in Palm Coast (the “**PCDLLC Membership Interest**”);

WHEREAS, Seller is the sole member of Media Data Resources, LLC, a Delaware limited liability company (“**Media Data**”), and holds the entire membership interest in Media Data (the “**MDR Membership Interest**,” and together with the PCDLLC Membership Interest, the “**Membership Interests**”); and

WHEREAS, the Target Group (as defined below) is in the business of providing comprehensive fulfillment and contact center services for magazines, newsletters, membership and non-profit organizations, government agencies and other direct marketers (the “**Business**”); and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Membership Interests, in each case, subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. The following terms have the meanings specified in this Section 1.01:

“**\$**” or “**Dollars**” means the lawful currency of the United States.

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For the avoidance of doubt, no shareholder of Parent or any Affiliate of such shareholder shall be deemed an Affiliate of Seller or any of Seller’s Affiliates.

“Affiliated Group” means each of the Target, and other entities filing a consolidated combined, or unitary Tax Return of which Parent is the common parent.

“Assignment and Assumption Agreement” means the Assignment and Assumption Agreement, dated as of the Closing Date, by and between Buyer and Seller.

“Business Day” means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by Law to be closed for business.

“Cash on Hand” means the aggregate cash balance of the Target Group, including all cash, commercial paper, certificates of deposit and other bank deposits, treasury bills, and all other cash equivalents in all accounts of any Target, and third party checks deposited or held in any accounts of any Target that have not yet cleared.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidentiality Agreement” means the Nondisclosure Agreement, dated as of January 25, 2019, between Parent and Irish Studio LLC, a Delaware limited liability company and the parent of Buyer.

“Disclosure Schedules” means the Disclosure Schedules attached hereto and delivered by Seller concurrently with the execution and delivery of this Agreement.

“Employees” means those Persons employed by any Target immediately prior to the Closing.

“Encumbrance” means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance.

“Environmental Claim” means any action, suit, claim, investigation or other legal proceeding by any Person alleging liability of whatever kind or nature arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

“Environmental Law” means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

“**Environmental Notice**” means any notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

“**Environmental Permit**” means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“**FulCircle**” means FulCircle Media, LLC, a Delaware limited liability company and a wholly owned subsidiary of Palm Coast.

“**GAAP**” means United States generally accepted accounting principles in effect from time to time.

“**Governmental Authority**” means any federal, state or local government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any arbitrator or federal, state or local court or tribunal of competent jurisdiction.

“**Governmental Order**” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“**Hazardous Materials**” means (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws; and (b) any petroleum or petroleum derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation, and polychlorinated biphenyls.

“**Indebtedness**” means, without duplication and with respect to the Target Group, all (a) indebtedness for borrowed money; (b) long or short-term obligations evidenced by notes, bonds, debentures or other similar instruments; (c) obligations under any interest rate, currency swap or other hedging agreement or arrangement; (d) reimbursement obligations under any letter of credit; (e) guarantees made by any Target on behalf of any third party in respect of obligations of the kind referred to in the foregoing clauses (a) through (d); and (f) any unpaid interest, prepayment penalties, premiums, costs and fees that would arise or become due as a result of the prepayment of any of the obligations referred to in the foregoing clauses (a) through (e).

“**Independent Accountant**” means an impartial, nationally recognized firm of independent certified public accountants mutually agreed upon by Buyer and Seller.

“Intellectual Property” means any and all of the following in any jurisdiction throughout the world: (i) trademarks and service marks, including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (ii) registered copyrights, including all applications and registrations related to the foregoing; (iii) trade secrets and confidential know-how; (iv) patents and patent applications; (v) internet domain names and social media account or user names (including “handles”), whether or not trademarks, all associated web addresses, URLs, websites and web pages, social media accounts and pages, and all content and data thereon or relating thereto, whether or not copyrights; (vi) trade secrets, know-how, inventions (whether or not patentable), discoveries, improvements, technology, business and technical information, databases, data compilations and collections, tools, methods, processes, techniques, and other confidential and proprietary information and all rights therein; and (vii) computer programs, software, operating systems, applications, firmware, and other code, including all source code, object code, application programming interfaces, data files, databases, protocols, specifications, and other documentation thereof; and (viii) all other intellectual property and proprietary rights.

“Law” means any statute, law, ordinance, regulation, rule, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“Lease Agreements” means, together, (i) the Industrial Lease (WH/OFC) (Triple Net), of even date herewith, by and between Palm Coast, as tenant, and Commerce Blvd Holdings LLC, a Florida limited liability company, as landlord; and (ii) the Industrial Lease (WH/OFC) (Triple Net), of even date herewith, by and between Palm Coast, as tenant, and Two Commerce LLC, a Florida limited liability company, as landlord.

“Losses” means actual out-of-pocket losses, damages, liabilities, costs or expenses, including reasonable actual out-of-pocket attorneys’ fees and the actual out-of-pocket cost of enforcing any right to indemnification hereunder. For the avoidance of doubt, the term “Losses” shall not include any losses, damages, liabilities, costs or expenses incurred by any Indemnified Party or its Representatives as a result of any internal investigation or resolution with respect to any Tax Claim, Direct Claim or Third Party Claim.

“Material Adverse Effect” means any event, occurrence, fact, condition or change that is materially adverse to (a) the business, results of operations, financial condition or assets of the Target Group taken as a whole, or (b) the ability of Seller to consummate the transactions contemplated hereby; *provided, however*, that “Material Adverse Effect” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Target Group operates; (iii) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement or any Transaction Document or any action taken (or omitted to be taken) with the consent of or at the request of Buyer; (vi) any matter of which Buyer is aware on the date hereof; (vii) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Target Group; (ix) any natural or man-made disaster or acts of God; or (x) any failure by the Target Group to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

“**Parent**” means AMREP Corporation, an Oklahoma corporation and the sole owner of Seller.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances, and consents required to be obtained from Governmental Authorities.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Post-Closing Tax Period**” means any taxable period beginning after the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period beginning after the Closing Date.

“**Pre-Closing Tax Period**” means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on and including the Closing Date.

“**Pre-Closing Taxes**” means Taxes of the Target Group for any Pre-Closing Tax Period.

“**Real Property**” means any real property together with all buildings, structures and facilities located thereon.

“**Release**” means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

“**Representative**” means, with respect to any Person, any and all directors, managers, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“**Seller’s Knowledge**” or any other similar knowledge qualification means the actual knowledge (without any inquiry or investigation) of those persons listed on Section 1.01 of the Disclosure Schedules as of the Closing Date.

“**Smithsonian**” means Smithsonian Institution, a trust instrumentality of the United States created by an Act of Congress in 1846.

“**Smithsonian Agreement**” means that certain Support Agreement, dated May 14, 2018, by and between Parent and Smithsonian, through Smithsonian Enterprises.

“**Target**” means Palm Coast, FulCircle or Media Data, individually.

“**Target Group**” means Palm Coast, FulCircle and Media Data, collectively.

“**Taxes**” means all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, excise, environmental, stamp, occupation, premium, property (real or personal), real property gains, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever imposed or collected by a Governmental Authority, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

“**Tax Return**” means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Territory**” means the United States of America.

“**Third Party Claim**” means the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing against an Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement.

“**Transaction Documents**” means the Transition Services Agreement, the Lease Agreements, the Assignment and Assumption Agreement and the other agreements, instruments and documents required to be delivered at the Closing or otherwise in connection with the transactions contemplated by this Agreement.

“**Transition Services Agreement**” means the Transition Services Agreement, of even date herewith, by and among Seller and Palm Coast.

“**WARN Act**” means the federal Worker Adjustment and Retraining Notification Act of 1988, and similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

Section 1.02 Additional Definitions. The following terms shall have the respective meanings ascribed to them in the corresponding sections below:

Term	Section
Agreement	Preamble
Annual Financial Statements	Section 3.06
Balance Sheet	Section 3.06
Balance Sheet Date	Section 3.06
Benefit Plan	Section 3.14(a)
Business	Recitals
Buyer	Preamble
Closing	Section 2.04
Closing Date	Section 2.04

Term	Section
Continuing Benefit Plans	Section 3.14(b)
Debt Contribution	Section 6.05
Deductible	Section 7.04(a)
Direct Claim	Section 7.05(c)
Financial Statements	Section 3.06
Indemnified Party	Section 7.04
Information	Section 4.07(e)
Indemnifying Party	Section 7.04
Interim Balance Sheet	Section 3.06
Interim Balance Sheet Date	Section 3.06
Interim Financial Statements	Section 3.06
Material Contracts	Section 3.08(a)
MDR Membership Interest	Recitals
Media Data	Recitals
Membership Interests	Recitals
Palm Coast	Recitals
PCDLLC Membership Interest	Recitals
Party(ies)	Preamble
Prohibited Action	Section 7.04(h)
Purchase Price	Section 2.02
Qualified Benefit Plan	Section 3.14(b)
Restricted Period	Section 5.02
Seller	Preamble
Smithsonian Payment	Section 5.08
Straddle Period	Section 6.02
Target Group Intellectual Property	Section 3.10(a)
Tax Attributes	Section 6.08
Tax Claim	Section 6.03
Union	Section 3.15(a)

ARTICLE II

PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Membership Interests, free and clear of all Encumbrances, for the consideration specified in Section 2.02.

Section 2.02 Purchase Price. The aggregate purchase price (the “**Purchase Price**”) for the Membership Interests shall be One Million Dollars (\$1,000,000).

Section 2.03 Transactions to be Effected at the Closing.

(a) At the Closing, Buyer shall deliver to Seller:

(i) the Purchase Price, by wire transfer of immediately available funds to such account or accounts as Seller shall designate in writing to Buyer prior to the Closing;

(ii) a certificate of Manager of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the sole member of Buyer authorizing the execution, delivery, and performance of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(iii) a certificate of the Manager of Buyer certifying the names and signatures of the authorized representative of Buyer authorized to sign this Agreement, the Transaction Documents to which it is a party and the other documents to be delivered hereunder and thereunder; and

(iv) all Transaction Documents to which Buyer or any of its Affiliates are parties, each duly executed by Buyer and such Affiliates.

(b) At the Closing, Seller shall deliver to Buyer:

(i) the written resignations required by Section 5.01;

(ii) a validly executed certificate from Seller in a form reasonably acceptable to Buyer conforming to the applicable requirements of Treasury Regulations Section 1.1445-2(b); and

(iii) a certificate of an officer of Seller certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery, and performance of this Agreement and the Transaction Documents to which it is a party and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby;

(iv) a certificate of the Secretary of Seller certifying the names and signatures of the officers of Seller authorized to sign this Agreement, the Transaction Documents to which it is a party and the other documents to be delivered hereunder and thereunder;

(v) a certificate of good standing for each Target, issued by the Delaware Secretary of State and dated not more than ten (10) days prior to the Closing Date; and

(vi) all Transaction Documents to which Seller or any of its Affiliates are parties, each duly executed by Seller and such Affiliates.

Section 2.04 Closing. The closing of the transactions contemplated by this Agreement (the “**Closing**”) shall take place on the date of this Agreement (the “**Closing Date**”) and simultaneously with the execution of this Agreement at the offices of Duane Morris LLP, 222 Delaware Avenue, Suite 1600, Wilmington, Delaware 19801-1659, or such other location as the Parties shall mutually agree. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth in the Disclosure Schedules, Seller represents and warrants to Buyer that the statements contained in this Article III are true and correct as of the date hereof.

Section 3.01 Organization and Authority of Seller. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Seller has all necessary corporate power and authority to enter into this Agreement and the Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Seller of this Agreement and the Transaction Documents to which it is a party, the performance by Seller of its obligations hereunder and thereunder and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement and the Transaction Documents to which Seller is a party have been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer and the other parties to the Transaction Documents) this Agreement and the Transaction Documents to which Seller is a party constitute legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors’ rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 3.02 Organization, Authority and Qualification of the Target Group. Each Target is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware and has all necessary limited liability company power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. Each Target is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect.

Section 3.03 Capitalization.

(a) Seller is the owner of and has good and valid title to the Membership Interests. The PCDLLC Membership Interests constitute 100% of the total issued and outstanding membership interests in Palm Coast. The MDR Membership Interests constitute 100% of the total issued and outstanding membership interests in Media Data. All of the Membership Interests have been duly authorized, are validly issued, fully paid and non-assessable, and are owned of record and beneficially by Seller, free and clear of all Encumbrances. Seller is the sole member in, and sole owner of, each of Palm Coast and Media Data. Palm Coast is the sole member in, and sole owner of, FulCircle.

(b) All of the Membership Interests were issued in compliance with applicable Laws. None of the Membership Interests of any Target were issued in violation of any agreement, arrangement or commitment to which Seller or any Target is a party or is subject to or in violation of any preemptive or similar rights of any Person.

(c) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the equity interests of any Target or obligating Seller or any Target to issue or sell any interest in any Target. No Target has outstanding or authorized any equity appreciation, phantom equity, profit participation or similar rights. There are no voting trusts, member agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the equity interests of any Target.

Section 3.04 No Subsidiaries. Other than Palm Coast's interest in FulCircle, neither Media Data nor Palm Coast own, or have any interest in any shares or have an ownership interest in any other Person. FulCircle does not own or have any interest in any shares or equity interests of any other Person.

Section 3.05 No Conflicts. The execution, delivery and performance by Seller of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the organizational or other governing documents of Seller or any Target; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller or any Target; or (c) except for the contracts as set forth in Section 3.05 of the Disclosure Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, or result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any Material Contract or any Permit affecting the properties, assets or business of any Target, except in the cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a Material Adverse Effect. Except as set forth in Section 3.05(d) of the Disclosure Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller or any Target in connection with the execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, except such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which, in the aggregate, would not have a Material Adverse Effect.

Section 3.06 Financial Statements. Copies of the Target Group’s financial statements consisting of the consolidated balance sheet of the Target Group as of April 30 in the year 2018 and the related statement of income for such year then ended (the “**Annual Financial Statements**”), and the financial statements consisting of the balance sheet of the Target Group as of January 31, 2019 and the related statement of income for the nine (9)-month period then ended (the “**Interim Financial Statements**” and together with the Annual Financial Statements, the “**Financial Statements**”) have been delivered to Buyer. The Financial Statements have been prepared in accordance with GAAP applied on a consistent basis throughout the period involved, subject to the absence of notes, absence of income taxes, presentation simplification and the pro forma presentation of the removal of intercompany transactions and balances between Affiliates and, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments. Subject to the absence of notes, absence of income taxes, presentation simplification and the pro forma presentation of the removal of intercompany transactions and balances between Affiliates and, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments, the Financial Statements fairly present in all material respects the financial condition of the Target Group as of the respective dates they were prepared and the results of the operations of the Target Group for the periods indicated. The balance sheet of the Target Group as of April 30, 2018 is referred to herein as the “**Balance Sheet**” and the date thereof as the “**Balance Sheet Date**” and the balance sheet of the Target Group as of January 31, 2019 is referred to herein as the “**Interim Balance Sheet**” and the date thereof as the “**Interim Balance Sheet Date**”.

Section 3.07 Absence of Certain Changes, Events and Conditions. Except as expressly contemplated by the Agreement and except with respect to cash distributions made by the Target Group or its Affiliates to Parent or its Affiliates prior to Closing, from the Interim Balance Sheet Date until the date of this Agreement, each Target has operated in the ordinary course of business, consistent with past practices, and there has not been any material change in any Target’s cash management practices or practices with respect to collection of accounts receivable, payment of trade accounts payable or accrual of other expenses.

Section 3.08 Material Contracts.

(a) Section 3.08(a) of the Disclosure Schedules sets forth a list of the top twenty-five (25) customer contracts of the Target Group (measured by revenue) and top fifteen (15) supplier contracts of the Target Group (measured by cash payments, but not including any software license or related agreements), in each case, during the nine (9)-month period then ended January 31, 2019 (collectively, the “**Material Contracts**”).

(b) Each Material Contract (or its successor contract) is valid and binding on the applicable member of the Target Group in accordance with its terms and is in full force and effect. No Target or, to Seller’s Knowledge, any other party thereto, is in breach of, or default under, any Material Contract, except for such breaches or defaults that would not have a Material Adverse Effect.

Section 3.09 Title to Assets; Real Property.

(a) The Target Group has good and valid title to all tangible personal property and other assets reflected in the Annual Financial Statements or acquired after the Balance Sheet Date, other than assets sold or otherwise disposed of in the ordinary course of business since the Balance Sheet Date and other than with respect to cash distributions made by the Target Group or its Affiliates to Parent or its Affiliates since the Balance Sheet Date. All such assets are free and clear of Encumbrances except for the following:

- (i) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures;
- (ii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the ordinary course of business;
- (iii) liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; or
- (iv) other imperfections of title or Encumbrances, if any, that have not had, and would not have, a Material Adverse Effect.

(b) Other than the real property to be leased to Palm Coast pursuant to the Lease Agreements, the Target Group does not own or lease any Real Property in connection with the Business or otherwise.

Section 3.10 Intellectual Property.

(a) The Target Group does not own any patents, patent applications, trademark registrations and pending applications for registration or copyright registrations and pending applications for registration. The Target Group owns or has the right to use all Intellectual Property currently used in connection with the Business or that is otherwise necessary to conduct the Business as currently conducted (the "**Target Group Intellectual Property**").

(b) To Seller's Knowledge: (i) the Target Group Intellectual Property as currently licensed or used by the Target Group, and the Target Group's conduct of the Business as currently conducted, does not infringe, misappropriate or otherwise violate the Intellectual Property of any Person; and (ii) no Person is infringing, misappropriating or otherwise violating any Target Group Intellectual Property.

Section 3.11 Legal Proceedings; Governmental Orders.

(a) There are no actions, suits, claims, investigations or other legal proceedings pending or, to Seller's Knowledge, threatened against or by any Target affecting any of the Target Group's properties or assets, which if determined adversely to the Target Group (or any Affiliate thereof) would result in a Material Adverse Effect.

(b) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting any Target or any of its properties or assets which would have a Material Adverse Effect.

(c) There are no actions, suits, claims, investigations or other legal proceedings pending or, to Seller's Knowledge, threatened against or by Seller, any Target, or any Affiliate of Seller that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or the Transaction Documents.

Section 3.12 Compliance with Laws; Permits.

(a) To Seller's Knowledge, each Target has complied in all material respects and is now complying in all material respects with all Laws applicable to it or the Business, its properties or its assets.

(b) To Seller's Knowledge, all Permits required for the Target Group to conduct the Business have been obtained by it and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date hereof have been paid in full. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any such Permit.

Section 3.13 Environmental Matters.

(a) To Seller's Knowledge, each Target is currently and has been in material compliance with all Environmental Laws and has not, and Seller has not, received from any Person any (i) Environmental Notice or Environmental Claim, or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

(b) To Seller's Knowledge, the Target Group has obtained and is in material compliance with all Environmental Permits necessary for the ownership, lease, operation or use of the Business or assets of the Target Group.

(c) To Seller's Knowledge, there has been no Release of Hazardous Materials in contravention of Environmental Laws with respect to the Business or assets of the Target Group.

Section 3.14 Employee Benefit Matters.

(a) Section 3.14(a) of the Disclosure Schedules contains a list of each material benefit, retirement, employment, compensation, incentive, bonus, stock option, restricted stock, stock appreciation right, phantom equity, change in control, severance, vacation, paid time off, welfare and fringe-benefit agreement, plan, policy and program, whether or not reduced to writing, in effect and covering one or more Employees or the beneficiaries or dependents of any such Persons, and is maintained, sponsored, contributed to, or required to be contributed to by the Target Group, or under which the Target Group has any material liability for premiums or benefits (as listed on Section 3.14(a) of the Disclosure Schedules, each, a "**Benefit Plan**").

(b) Section 3.14(b) of the Disclosure Schedules contains a list of all medical, dental, vision, life insurance and other welfare benefit plans (including short-term and long-term disability benefits) that are Benefits Plans and which will continue to cover Employees after the Closing Date (the "**Continuing Benefit Plans**").

(c) Except as may be provided in the plan documentation and agreements related thereto, each Continuing Benefit Plan can be amended, terminated, or otherwise discontinued after the Closing in accordance with its terms, without material liabilities to the Target Group or any of its Affiliates other than ordinary administrative expenses typically incurred in a termination event.

(d) Other than as required under ERISA Sections 601 to 608 or other applicable Law and except for the Benefit Plans set forth on Section 3.14(d) of the Disclosure Schedules, no Benefit Plan provides post-termination or retiree medical benefits to any individual for any reason, and no Target has any liability to provide post-termination or retiree medical benefits to any individual or ever represented, promised, or contracted to any individual that such individual would be provided with post-termination or retiree medical benefits.

(e) To Seller's Knowledge, each Benefit Plan and related trust complies in all material respects with applicable Laws (including ERISA and the Code). Each Benefit Plan that is intended to be qualified under Section 401(a) of the Code (a "**Qualified Benefit Plan**") has received a favorable determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, and, to Seller's Knowledge, nothing has occurred that could reasonably be expected to cause the revocation of such determination letter from the Internal Revenue Service or the unavailability of reliance on such opinion letter from the Internal Revenue Service. Except as would not have a Material Adverse Effect, all benefits, contributions and premiums required by and due under the terms of each Benefit Plan or applicable Law have been timely paid in accordance with the terms of such Benefit Plan, the terms of all applicable Laws and GAAP. With respect to any Benefit Plan, to Seller's Knowledge, no event has occurred or is reasonably expected to occur that has resulted in or would subject the Target Group to a Tax under Section 4971 of the Code or the assets of the Target Group to a lien under Section 430(k) of the Code.

(f) No Benefit Plan: (i) is a "multiple employer plan" (meaning a plan sponsored by more than one employer within the meaning of Sections 4063 or 4064 of ERISA or Section 413(c) of the Code; or (ii) is a "multi-employer plan" (as defined in Section 3(37) of ERISA). Except as set forth on Section 3.14(f) of the Disclosure Schedules and except as would not have a Material Adverse Effect, neither Seller nor the Target Group: (i) has withdrawn from any pension plan under circumstances resulting (or expected to result) in a liability to the Pension Benefit Guaranty Corporation; or (ii) has engaged in any transaction which would give rise to a liability of the Target Group or Buyer under Section 4069 or Section 4212(c) of ERISA.

(g) Except as would not have a Material Adverse Effect: (i) there is no pending or, to Seller's Knowledge, threatened action relating to a Benefit Plan (other than a routine claim for benefits); and (ii) no Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by a Governmental Authority.

(h) Neither the execution of this Agreement, shareholder approval of this Agreement, nor any of the transactions contemplated by this Agreement will (either alone or upon the occurrence of any additional or subsequent events) other than as provided in any Continuing Benefit Plan: (i) entitle any current or former director, officer, employee, independent contractor, or consultant of any Target to severance pay, any increase in severance pay, or any other payment; (ii) accelerate the time of payment, funding, or vesting, or increase the amount of compensation (including stock or stock-based compensation) due to any such individual; (iii) limit or restrict the right of the Target Group to merge, amend, or terminate any Benefit Plan; (iv) increase the amount payable under or result in any other material obligation pursuant to any Benefit Plan; (v) result in “excess parachute payments” within the meaning of Section 280G(b) of the Code; (vi) require a “gross-up” or other payment to any “disqualified individual” within the meaning of Section 280G(c) of the Code; or (vii) result in payments under any Benefit Plans that would not be deductible under Section 162(m) of the Code.

Section 3.15 Employment Matters.

(a) The Target Group is not a party to, or bound by, or negotiating any collective bargaining or other agreement with a union, works council or labor organization (collectively, “**Union**”) representing any of its Employees. There is not any Union representing or, to Seller’s Knowledge, purporting to represent any employee of the Target Group. Since January 1, 2016, there has not been, nor, to Seller’s Knowledge, has there been any material threat of, any strike, slowdown, work stoppage, lockout, concerted refusal to work overtime or other similar labor activity or dispute affecting the Target Group. The Target Group has no duty to bargain with any Union.

(b) The Target Group is in compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to employees of the Target Group, except to the extent non-compliance would not result in a Material Adverse Effect. All employees of the Target Group classified as exempt under the Fair Labor Standards Act and applicable state and local wage and hour laws are properly classified. Except as would not have a Material Adverse Effect, there are no actions, suits, claims, investigations or other legal proceedings against the Target Group pending, or to the Seller’s Knowledge, threatened to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former applicant, employee, consultant, volunteer, intern or independent contractor of the Target Group, including relating to unfair labor practices, equal employment opportunities, fair employment practices, employment discrimination, harassment, retaliation, reasonable accommodation, disability rights or benefits, immigration, wages, hours, overtime compensation, employee classification, child labor, hiring, promotion and termination of employees, working conditions, meal and break periods, privacy, health and safety, workers’ compensation, leaves of absence, paid sick leave, unemployment insurance or any other employment related matter arising under applicable Laws.

Section 3.16 Taxes.

(a) All material Tax Returns required to be filed by each Target have been filed. Such Tax Returns are true, complete and correct in all material respects; *provided, however*, that no representations or warranties are made with respect to the amount, availability or sufficiency of any net operating losses (carryforward or otherwise), capital losses or credits of any Target for any Tax period ending on or prior to the Closing Date that may be available to offset, reduce or eliminate income or Taxes of such Target, Buyer or their respective Affiliates for Tax periods ending after the Closing Date. All material Taxes (whether or not shown on the Tax Return) due and owing by each Target to any Governmental Authority have been paid. No Target is currently the beneficiary of any extension of time within which to file any material Tax Return other than extensions of time to file Tax Returns obtained in the ordinary course of business.

(b) No extensions or waivers of statutes of limitations have been given or requested with respect to any material Taxes of any Target and all deficiencies for Taxes of any Target asserted or assessments made by a Governmental Authority have been paid in full or settled or are adequately provided for in the Financial Statements.

(c) No Target is a party to any Tax-sharing agreement that would have a continuing effect after the Closing Date.

(d) All material Taxes which any Target is obligated to withhold from amounts owing to any employee, creditor or third party have been paid or are adequately provided for in the Financial Statements.

(e) As of the Closing Date, there are no current or, to Seller's Knowledge, pending, audits, examinations, investigations or other proceedings in respect of material Taxes with respect to any Target.

(f) For federal income Tax purposes and applicable state income Tax purposes, each Target is treated and classified as a disregarded entity.

(g) Other than the Affiliated Group, no Target has ever been a member of any consolidated, combined or unitary group for federal, state, local or foreign Tax purposes. After the Closing, no Target will be liable for Taxes of any other Person as a result of transferee liability, successor liability, joint and/or several liability (including pursuant to Treasury Regulation Section 1.1502-6 (or similar provisions of state, local or non-U.S. Law)), contractual liability, or otherwise, which transferee, successor and/or joint or several liability relates to a transaction or event arising prior to the Closing Date.

Section 3.17 Indebtedness. As of the Closing Date, no Target has any Indebtedness.

Section 3.18 Cash on Hand. As of the Closing Date, the Target Group has not less than One Million Dollars (\$1,000,000) in Cash on Hand.

Section 3.19 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller.

Section 3.20 No Other Representations and Warranties. Except for the representations and warranties contained in this Article III (including the related portions of the Disclosure Schedules), none of Seller, any Target or any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of Seller or any Target, including any representation or warranty as to the accuracy or completeness of any information regarding any Target furnished or made available to Buyer and its Representatives (including any information, documents or material delivered to Buyer, management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of any Target, or any representation or warranty arising from statute or otherwise in law.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this Article IV are true and correct as of the date hereof.

Section 4.01 Organization and Authority of Buyer. Buyer is a limited liability company duly organized, validly existing and in good standing under the Laws of the State of Delaware. Buyer has all necessary limited liability company power and authority to enter into this Agreement and the Transaction Documents to which it is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and the Transaction Documents to which it is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite limited liability company action on the part of Buyer. This Agreement and the Transaction Documents to which Buyer is a party have been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller and the other parties to the Transaction Documents) this Agreement and the Transaction Documents to which Buyer is a party constitute legal, valid and binding obligations of Buyer, enforceable against Buyer in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the operating agreement or other organizational documents of Buyer; or (b) result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, under or result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any agreement to which Buyer is a party, except in the cases of clauses (b) and (c), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, except such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

Section 4.03 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 4.04 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement or the Transaction Documents.

Section 4.05 Investment Purpose. Buyer is acquiring the Membership Interests solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Membership Interests are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Membership Interests may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is able to bear the economic risk of holding the Membership Interests for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section 4.06 Resources Needed for Target. Buyer has the financial wherewithal, including cash available or existing borrowing facilities which it believes to be sufficient to enable Buyer, together with any resources of the Target Group, to consummate the transactions contemplated by this Agreement.

Section 4.07 Independent Investigation.

(a) Buyer has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) and assets of the Target Group, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Seller and the Target Group for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby and by the Transaction Documents, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in Article III of this Agreement (including the related portions of the Disclosure Schedules); and (b) none of Seller, any Target, any Representative of the foregoing or any other Person has made any representation or warranty as to Seller, any Target or this Agreement, except as expressly set forth in Article III of this Agreement (including the related portions of the Disclosure Schedules).

(b) By reason of its or its business or financial experience, Buyer has the capacity to protect its own interests in connection with the transactions contemplated in this Agreement and the Transaction Documents. Buyer acknowledges that its purchase of the Membership Interests is highly speculative and entails a substantial degree of risk. Buyer acknowledges that Buyer has received any information requested by Buyer for Buyer to make a decision to purchase the Membership Interests. Buyer has had an opportunity to discuss the business, management and financial affairs of each Target with Seller, each Target and Representatives of the foregoing and has had the opportunity to review the operations, assets and liabilities, and facilities of each Target. Buyer has also had the opportunity to ask questions of and receive answers from Seller and each Target and their respective management regarding the operations, business, prospects and condition (financial or otherwise) of each Target.

(c) Buyer has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of the transactions contemplated by this Agreement and the Transaction Documents, and is consummating this Agreement and the Transaction Documents and the actions contemplated hereby and thereby with a full understanding of all of the terms, conditions and risks and willingly accepts, adopts and assumes those terms, conditions and risks subject to the terms of this Agreement and the Transaction Documents.

(d) Buyer has made its own decision to consummate the transactions contemplated by this Agreement and the Transaction Documents based on its own independent review and consultations with such investment, legal, Tax, accounting and other advisers as it deemed necessary and upon the terms of this Agreement and the Transaction Documents. Buyer has made its own decision concerning the transaction contemplated by this Agreement and the Transaction Documents without reliance on any representation or warranty of, or advice from, Seller or any Target, except for those representations and warranties as set forth in this Agreement and in the Transaction Documents.

(e) Buyer acknowledges and understands that Seller, its Affiliates and Representatives of Seller or its Affiliates may possess material non-public information not known to Buyer that may impact the value of the Membership Interests (the “**Information**”) and that Seller may not have disclosed the Information to Buyer. Buyer understands, based on its experience, the disadvantage to which Buyer is subject due to the disparity of information between Buyer and Seller. Notwithstanding this, Buyer has deemed it appropriate to engage in the transaction contemplated by this Agreement and the Transaction Documents. Except as otherwise provided in Article VII, Buyer agrees that none of Seller, its Affiliates, any Representatives of Seller or its Affiliates or any other Person shall have any liability to Buyer, its Affiliates (including, following the Closing Date, any Target) or any third party whatsoever due to or in connection with the use or non-disclosure of the Information, and Buyer hereby irrevocably waives any claim that it might have based on the failure of Seller, its Affiliates or Representatives of Seller or its Affiliates to disclose the Information.

(f) Buyer acknowledges and agrees that Seller is relying on Buyer’s representations, warranties and agreements herein as a condition to proceeding with the transactions contemplated by this Agreement and the Transaction Documents. Without such representations, warranties and agreements, Seller would not engage in the transactions contemplated by this Agreement and the Transaction Documents.

Section 4.08 Purchase or Sale of AMREP Securities. None of Buyer, its Representatives or Affiliates of any of the foregoing or any entities or trusts controlled by any of the foregoing have purchased or sold any securities of Parent since January 1, 2018.

Section 4.09 Acknowledgements. Buyer has reviewed the information, documents and materials furnished or made available to Buyer by Seller or its Representatives in certain “data rooms,” management discussions or presentations or any other form in contemplation of the transactions contemplated by this Agreement and the Transaction Documents. Buyer has reviewed the filings made by Parent with the U.S. Securities and Exchange Commission (including any risk factors contained therein), which contain information regarding each Target. Seller and the Target Group and their respective Affiliates have certain shared services and assets, including insurance, information technology, employee benefit plans, leased real estate and Indebtedness, all of which will cease to be available to each Target as of the Closing and all of which the Target Group and Buyer will need to address following the Closing, other than as may be provided in the this Agreement.

ARTICLE V

COVENANTS

Section 5.01 Resignations. Seller shall deliver to Buyer written resignations, effective as of the Closing Date, of the officers and directors of the Target Group set forth on Section 5.01 of the Disclosure Schedules.

Section 5.02 Non-Competition.

(a) For a period of five (5) years commencing on the Closing Date (the “**Restricted Period**”), Seller shall not, and shall not permit any of its Affiliates to, directly or indirectly, (i) engage in or assist others in engaging in the Business in the Territory; (ii) have an interest in any Person that engages directly or indirectly in the Business in the Territory in any capacity, including as a partner, stockholder, member, employee, principal, agent, trustee or consultant; or (iii) intentionally interfere in any material respect with the business relationships (whether formed prior to or after the date of this Agreement) between any Target and customers or suppliers of the Target Group. Notwithstanding the foregoing, Seller and its Affiliates may own, directly or indirectly, solely as an investment, securities of any Person traded on any national securities exchange if Seller is not a controlling Person of, or a member of a group which controls, such Person and does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Person.

(b) During the Restricted Period, Seller shall not, and shall not permit any of its Affiliates to, directly or indirectly, hire or solicit any employee of the Target Group or encourage any such employee to leave such employment or hire any such employee who has left such employment, except pursuant to a general solicitation which is not directed specifically to any such employees; *provided, that* nothing in this Section 5.02(b) shall prevent Seller or any of its Affiliates from hiring (i) any employee whose employment has been terminated by the Target Group or Buyer or (ii) after 180 days from the date of termination of employment, any employee whose employment has been terminated by the employee.

(c) During the Restricted Period, Seller shall not, and shall not permit any of its Affiliates to, directly or indirectly, solicit or entice, or attempt to solicit or entice, any clients or customers of the Target Group or potential clients or customers of the Target Group for purposes of diverting their business or services from the Target Group.

(d) Seller acknowledges that a breach or threatened breach of this Section 5.02 would give rise to irreparable harm to Buyer, for which monetary damages would not be an adequate remedy, and hereby agrees that in the event of a breach or a threatened breach by Seller of any such obligations, Buyer shall, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

(e) Seller acknowledges that the restrictions contained in this Section 5.02 are reasonable and necessary to protect the legitimate interests of Buyer and constitute a material inducement to Buyer to enter into this Agreement and consummate the transactions contemplated by this Agreement. In the event that any covenant contained in this Section 5.02 should ever be adjudicated to exceed the time, geographic, product or service, or other limitations permitted by applicable Law in any jurisdiction, then any court is expressly empowered to reform such covenant, and such covenant shall be deemed reformed, in such jurisdiction to the maximum time, geographic, product or service, or other limitations permitted by applicable Law. The covenants contained in this Section 5.02 and each provision hereof are severable and distinct covenants and provisions. The invalidity or unenforceability of any such covenant or provision as written shall not invalidate or render unenforceable the remaining covenants or provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such covenant or provision in any other jurisdiction.

Section 5.03 Employees; Benefit Plans.

(a) As of the Closing Date, Seller shall have taken all steps necessary to effectuate a transfer of plan sponsorship of the Continuing Benefit Plans to the Target Group, including providing notification to any service providers, assigning all contracts and insurance policies associated with the Continuing Benefit Plans to the Target Group, and executing corporate resolutions. Seller shall also have taken all steps to prepare new plan documents for the Continuing Benefit Plans, which shall reflect the covenant in Section 5.03(b) below.

(b) As of the Closing Date, (a) Seller shall cease to be a participating employer in the Continuing Benefit Plans; (b) each Target shall cease to be a participating employer under the Benefit Plans that are not Continuing Benefit Plans and (b) the Employees shall cease to be active participants under the Benefit Plans that are not Continuing Benefit Plans. As of the Closing Date, participants in the Continuing Benefit Plans who are not Employees shall be removed and shall no longer actively participate in the Continuing Benefit Plans. Following the Closing Date, the Target Group shall be solely responsible for all obligations and liabilities under the Continuing Benefit Plans provided to Employees for the period after the Closing Date (and none of Seller or its Affiliates shall have any obligations or liabilities with respect thereto). Notwithstanding the foregoing, during the period commencing on the Closing Date and ending on April 30, 2019, Seller shall continue to be a participating employer, and employees of Seller who are not Employees shall continue to participate, in the medical plan portion of the Continuing Benefit Plans. Seller shall remain responsible for the ordinary course claims of any of Seller's employees who are not Employees in the medical plan portion of the Continuing Benefit Plans, whether incurred prior to, or following, the Closing Date.

(c) Buyer shall assume, honor and become solely responsible for payment of all liabilities (including all premiums and administrative costs) and performance of all other obligations of Seller and its Affiliates (including each Target) under the Continuing Benefit Plans in respect of all medical, dental, life insurance and other welfare benefit claims (including short-term and long-term disability benefits) incurred on or prior to the date of this Agreement by or for Employees, former employees of any Target and eligible dependents of any Employee or former employee of any Target, other than with respect to the Retained Health Plan Liabilities (as defined below). In addition, Buyer shall be, or shall cause each Target to be, solely responsible for all medical, dental, life insurance and other welfare benefit claims incurred on or after the date of this Agreement by Employees, former employees of any Target and eligible dependents of any Employee or former employee of any Target (including short-term and long-term disability benefits in respect of individuals who became disabled on or prior to the date of this Agreement), whether that be under a Continuing Benefit Plan or other benefit plan provided by Buyer to Employees for the period after the Closing Date, provided the preceding sentence does not obligate Buyer or the Target Group to maintain any benefit plans following the Closing Date. Effective as of the Closing Date, Buyer shall assume all liabilities and obligations of Seller and its Affiliates to Employees, former employees of any Target and eligible dependents of any Employee or former employee of any Target, in respect of health insurance under the Consolidated Omnibus Budget Reconciliation Act of 1985, the Health Insurance Portability and Accountability Act of 1996 and applicable state law. Seller shall retain liability and the obligation for such individuals who are not Employees, former employees of any Target or eligible dependents of any Employee or former employee of any Target who, as of the Closing Date, receive health plan continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, the Health Insurance Portability and Accountability Act of 1996 or applicable state law (the “**Retained Health Plan Liabilities**”).

Section 5.04 Plant Closings and Mass Layoffs. Buyer shall not, and shall cause the each Target not to, take any action following the Closing that could reasonably be expected to result in WARN Act liability.

Section 5.05 Director and Officer Indemnification and Insurance.

(a) Buyer agrees that all rights to indemnification, advancement of expenses and exculpation by any Target now existing in favor of each person who is now, or has been at any time prior to the Closing Date, an officer, manager or director of such Target, as provided in the organizational documents of such Target, in each case as in effect on the Closing Date, or pursuant to any other agreements in effect on the date hereof and disclosed in Section 5.05(a) of the Disclosure Schedules, shall survive the Closing Date and shall continue in full force and effect in accordance with their respective terms.

(b) The obligations of Buyer and any Target under this Section 5.05 shall not be terminated or modified in such a manner as to adversely affect any director, manager or officer to whom this Section 5.05 applies without the consent of such affected director, manager or officer (it being expressly agreed that the directors, managers and officers to whom this Section 5.05 applies shall be third party beneficiaries of this Section 5.05, each of whom may enforce the provisions of this Section 5.05).

(c) In the event Buyer, any Target or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or such Target, as the case may be, shall assume all of the obligations set forth in this Section 5.05.

(d) Except for the insurance policies set forth on Section 5.05(d) of the Disclosure Schedules, effective 11:59 p.m. on the Closing Date, the Target Group shall cease to be insured by Seller's or any of its Affiliates' insurance policies. With respect to events or circumstances covered by insurance coverage written on an "occurrence basis," Seller and its Affiliates will have no liability for occurrences or Losses that take place on or after 11:59 p.m. on the Closing Date; provided that with respect to insurance coverage written on an "occurrence basis" and for which any of the Target Group was an insured under such policies, then (i) the Target Group shall continue to have rights under such insurance policies, in accordance with the terms of such insurance policies, to the extent the events giving rise to a claim under such policies occurred prior to 11:59 p.m. on the Closing Date, and (ii) Seller agrees to cooperate with the Target Group following the Closing Date in making claims under Seller's or its Affiliates' insurance policies in connection with insurable events that occurred prior to 11:59 p.m. on the Closing Date and shall promptly (or to the soonest of its commercially reasonable efforts or ability) remit any recoveries that Seller receives with respect thereto to the applicable Target. Buyer acknowledges and agrees that Seller and its Affiliates shall have no liability with respect to any failure by any carrier under such insurance policies to make payment with respect to any such claim. Furthermore, Buyer acknowledges and agrees that neither Seller nor any of its Affiliates shall have any liability to Buyer or any Target with respect to deductibles and the failure of any claim to be covered as a result of such deductibles under any insurance coverage with respect to any of the Target Group. With respect to events or circumstances covered by insurance coverage written on a "claims made basis," Seller and its Affiliates will have no liability for claims made on or after 11:59 p.m. on the Closing Date.

(e) Notwithstanding the provisions of Section 5.05(d), from and after the date of this Agreement, neither Seller nor any of its Affiliates shall have any liability for workers' compensation claims (whether insured or self-insured) with respect to employees of any Target in existence on the date of this Agreement or arising from any event or circumstance taking place or existing prior to, on or subsequent to the date of this Agreement, all of which shall be assumed by Buyer on the date of this Agreement. Buyer shall take all steps necessary under any applicable Law to assume the liability for workers' compensation claims pursuant to this Section 5.05 and shall fully indemnify Seller and its Affiliates with respect to any Losses arising out of or relating to any workers' compensation claim obligations assumed by Buyer hereunder. Buyer shall cooperate with Seller and its Affiliates in order to obtain the return or release of bonds or securities or indemnifications given by Seller or any of its Affiliates to any state in connection with workers' compensation claims with respect to the date of this Agreement; and, in order to effectuate such return or release, Buyer shall, to the extent required by any state, post their own bonds, letters of credit, indemnifications or other securities in substitution therefor.

Section 5.06 Confidentiality. Each Party acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to such Party pursuant to this Agreement and the Transaction Documents.

Section 5.07 Public Announcements. Notwithstanding anything in this Agreement to the contrary, unless otherwise required by applicable Law or stock exchange requirements, each Party shall not, and shall cause its Affiliates to not, make any public announcements or otherwise communicate with any news media in respect of this Agreement or the Transaction Documents or the transactions contemplated hereby or thereby without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed), and the Parties shall cooperate as to the timing and contents of any such announcement. The Parties acknowledge that Parent shall file with the U.S. Securities and Exchange Commission a Current Report on Form 8-K describing all the material terms of the transactions contemplated by this Agreement and by the Transaction Documents, together with this Agreement and certain Transaction Documents attached thereto, in accordance with and in the form required by the Securities Exchange Act of 1934, as amended.

Section 5.08 Smithsonian Agreement Covenants. In the event that, at any time following the Closing, Parent shall be required to pay Smithsonian or any of its Affiliates any amounts (each a “**Smithsonian Payment**”) pursuant to the terms and conditions of the Smithsonian Agreement, Buyer shall promptly pay Smithsonian or its Affiliates the Smithsonian Payment prior to the date such Smithsonian Payment is due to be paid by Parent to Smithsonian or its Affiliates but no later than two (2) Business Days following Buyer’s receipt of notice from Parent of such Smithsonian Payment. The obligations of Buyer under this Section 5.08 shall not be terminated or modified without the consent of Parent, it being expressly agreed that Parent shall be a third party beneficiary of this Section 5.08 and may enforce the provisions of this Section 5.08.

Section 5.09 Further Assurances. Following the Closing, each Party shall, and shall cause its Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the Transaction Documents.

ARTICLE VI
TAX MATTERS

Section 6.01 Tax Covenants.

(a) All transfer, documentary, sales, use, stamp, registration and value added Taxes and fees (including any penalties and interest) incurred in connection with this Agreement shall be borne and paid by Buyer when due. Buyer shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and Seller shall cooperate with respect thereto as necessary).

(b) Seller, at its expense, shall prepare, or cause to be prepared, all Tax Returns required to be filed by any Target after the Closing Date with respect to a Pre-Closing Tax Period. Any such Tax Return shall be prepared in a manner consistent with past practice (unless otherwise required by Law).

(c) Seller shall include the income of each Target (including, without limitation, any deferred items of income triggered into income by Treasury Regulation §1.1502-13 and any excess loss account taken into income by Treasury Regulation §1.1502-19) on the Affiliated Group's tax return for all periods through and including the Closing Date and pay any Taxes attributable thereto.

(d) Buyer, at its expense, shall prepare, or cause to be prepared, all Tax Returns required to be filed by any Target after the Closing Date with respect to any Straddle Period and any such Tax Return (other than any payroll Tax Returns) shall be submitted by Buyer to Seller (together with schedules, statements and, to the extent requested by Seller, supporting documentation) at least forty-five (45) days prior to the due date (including extensions) of such Tax Return. If Seller objects to any item on any such Tax Return, it shall, within ten (10) days after delivery of such Tax Return, notify Buyer in writing that it so objects, specifying with particularity any such item and stating the specific factual or legal basis for any such objection. If a notice of objection shall be duly delivered, Buyer and Seller shall negotiate in good faith and use their reasonable best efforts to resolve such items. If Buyer and Seller are unable to reach such agreement within ten (10) days after receipt by Buyer of such notice, the disputed items shall be resolved by the Independent Accountant and any determination by the Independent Accountant shall be final. The Independent Accountant shall resolve any disputed items within twenty (20) days of having the item referred to it pursuant to such procedures as it may require. If the Independent Accountant is unable to resolve any disputed items before the due date for such Tax Return, the Tax Return shall be filed as prepared by Buyer and then amended to reflect the Independent Accountant's resolution. The costs, fees and expenses of the Independent Accountant shall be borne equally by Buyer and Seller. Notwithstanding anything to the contrary in this Agreement, Buyer shall have no right to review or comment on any Tax Returns that relates to any consolidated, unitary, combined or similar group of which Parent, Seller or their respective Affiliates is or was a member.

(e) Except as otherwise provided in Section 6.01(a), Seller shall be responsible for the payment of any Taxes shown due and payable on any Tax Return prepared under Section 6.01(b) or Section 6.01(c) allocable to a Pre-Closing Tax Period (taking into account Section 6.02). Buyer shall be responsible for the payment of all Taxes allocable to any Post-Closing Tax Period.

Section 6.02 Straddle Period. In the case of Taxes that are payable with respect to a taxable period that begins before and ends after the Closing Date (each such period, a “**Straddle Period**”), the portion of any such Taxes that are treated as Pre-Closing Taxes for purposes of this Agreement shall be:

(a) in the case of Taxes (i) based upon, or related to, income, receipts, profits, wages, capital or net worth, (ii) imposed in connection with the sale, transfer or assignment of property, or (iii) required to be withheld, deemed equal to the amount which would be payable if the taxable year ended with the Closing Date; and

(b) in the case of other Taxes, deemed to be the amount of such Taxes for the entire period multiplied by a fraction the numerator of which is the number of days in the period ending on the Closing Date and the denominator of which is the number of days in the entire period.

Section 6.03 Contests. Buyer agrees to give prompt written notice to Seller no later than ten (10) days after the receipt of any written notice by any Target, Buyer or any of Buyer’s Affiliates of the assertion of any claim, or the commencement of any action in respect of Taxes or Tax matters which could give rise to an indemnity under Section 7.02 or otherwise materially impact the Taxes of any Target in a period after the Closing Date (each, a “**Tax Claim**”). Seller shall control the contest and resolution of any Tax Claim; *provided, however*, that with respect to any Tax Claim (other than a Tax Claim that relates to any consolidated, unitary, combined or similar group of which Seller or any Affiliate thereof is or was a member and so long as any adjustment arising from or settlement of such a matter would not adversely affect any Target in a Post-Closing Tax Period) (i) Seller shall obtain the prior written consent of Buyer (which consent shall not be unreasonably withheld or delayed) before entering into any settlement of the Tax Claim; and (ii) Buyer, at its expense, shall be entitled to participate in the defense of such claim and to employ counsel of its choice for such purpose. No failure or delay of a party in performance of giving notice to the other party shall reduce or otherwise affect the obligations of a party hereunder except to the extent that such failure or delay demonstrably prejudices such party in its defense of any liability for Taxes.

Section 6.04 Cooperation and Exchange of Information. Seller and Buyer shall provide each other with such cooperation and information as either of them reasonably may request of the other in filing any Tax Return pursuant to this Article VI or in connection with any audit or other proceeding in respect of Taxes of any Target. Such cooperation and information shall include providing copies of relevant Tax Returns or portions thereof, together with accompanying schedules, related work papers and documents relating to rulings or other determinations by tax authorities. Each of Seller and Buyer shall retain all Tax Returns, schedules and work papers, records and other documents in its possession relating to Tax matters of any Target for any taxable period beginning before the Closing Date until the expiration of the statute of limitations of the taxable periods to which such Tax Returns and other documents relate, without regard to extensions except to the extent notified by the other party in writing of such extensions for the respective Tax periods.

Section 6.05 Contribution of Indebtedness. Prior to Closing, Seller shall contribute all of the Indebtedness owing to Seller by each Target as a contribution to capital without the issuance of any membership interests of the Target (the “**Debt Contribution**”). The Debt Contribution shall be ignored for income tax purposes as each Target is a disregarded entity.

Section 6.06 Tax Refunds. All Tax refunds actually received and all credits for overpayments of Taxes realized by any Target or Buyer of Taxes of any Target with respect to a Pre-Closing Tax Period shall be solely for the benefit of Seller and Buyer shall promptly pay to Seller the amount of such Tax refunds when received or realized.

Section 6.07 Post-Closing Actions. Except as otherwise required by applicable Law, Buyer shall not, without the prior written consent of Seller which such consent shall not be unreasonably withheld, conditioned or delayed, (i) except as provided in Section 6.01(c), file, or cause to be filed, any original or amended Tax Return with respect to any Target for any Pre-Closing Tax Period or Straddle Period or (ii) make, change or revoke any Tax election with respect to any Target with respect to any Target for any Pre-Closing Tax Period or Straddle Period.

Section 6.08 Tax Treatment. Seller and Buyer, for federal income Tax purposes and, where applicable, for state income Tax purposes, shall treat the sale of the Membership Interests contemplated by this Agreement as a sale of assets of each Target by Seller to Buyer and a purchase of the assets of each Target by Buyer from Seller.

ARTICLE VII

INDEMNIFICATION

Section 7.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect for fifteen (15) months following the Closing Date; *provided, that* the representations and warranties in (a) Section 3.01 (*Organization and Authority of Seller*), Section 3.03 (*Capitalization*), Section 3.19 (*Brokers*), Section 4.01 (*Organization and Authority of Buyer*) and Section 4.03 (*Brokers*) shall survive indefinitely, and (b) any representations in Section 3.14(f) (*Employee Benefit Matters* related to pension matters) and Section 3.16 (*Taxes*) shall survive for the full period of all applicable statutes of limitations. All covenants and agreements of the Parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

Section 7.02 Indemnification by Seller. Subject to the other terms and conditions of this Article VII, Seller shall indemnify Buyer and the Target Group against, and shall hold Buyer and the Target Group harmless from and against, any and all Losses incurred or sustained by, or imposed upon (without duplication), Buyer and/or the Target Group based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in Article III of this Agreement;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;
- (c) (i) all Taxes of any Target for all Pre-Closing Tax Periods, (ii) all Taxes of any member of an affiliated, consolidated, combined or unitary group of which any Target is or was a member on or prior to the Closing Date by reason of a liability under Treasury Regulation Section 1.1502-6 or any comparable provisions of state or local Law; and (iii) except as otherwise provided in Section 6.01(a), any Taxes of any Target resulting from the consummation of the transactions under this Agreement, including the Debt Contribution;
- (d) any and all debts, liabilities, claims and obligations against or of the Buyer, any Target, including as a result of successor liability, attributable to the Retirement Plan for Employees of AMREP Corporation, as amended, whether such debt, liability, claim, or obligation arises prior to or after the Closing Date;
- (e) any and all debts, liabilities, claims and obligations against or of any Target attributable to the Benefit Plans in connection with the participation of any individual who is not an Employee, former employee of any Target or eligible dependent of any Employee or former employee of any Target on or before the Closing; and
- (f) any and all debts, liabilities, claims and obligations against or of any Target attributable to the AMREP Corporation Severance Plan, as amended, other than up to an aggregate of \$15,000 in severance obligations incurred by any Target in the ordinary course prior to Closing and attributable to the AMREP Corporation Severance Plan, as amended.

Section 7.03 Indemnification by Buyer. Subject to the other terms and conditions of this Article VII, Buyer shall indemnify Seller against, and shall hold Seller harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Seller based upon, arising out of, with respect to or by reason of:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in Article IV of this Agreement; or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement (other than Article VI, it being understood that the sole remedy for any such breach thereof shall be pursuant to Article VI).

Section 7.04 Certain Limitations. The Party making a claim under this Article VII is referred to as the “**Indemnified Party**,” and the Party against whom such claims are asserted under this Article VII is referred to as the “**Indemnifying Party**.” The indemnification provided for in Section 7.02 and Section 7.03 shall be subject to the following limitations:

(a) Seller shall not be liable to Buyer for indemnification under Section 7.02(a) until the aggregate amount of all Losses in respect of indemnification under Section 7.02(a) exceeds Seventy-Five Thousand Dollars (\$75,000) (the “**Deductible**”), in which event Seller shall only be required to pay or be liable for Losses in excess of the Deductible.

(b) The aggregate amount of all Losses for which Seller shall be liable pursuant to Section 7.02(a) shall not exceed Seven Hundred Fifty Thousand Dollars (\$750,000).

(c) Notwithstanding the foregoing, the limitations set forth in Section 7.04(a) and Section 7.04(b), as the case may be, shall not apply to Losses based upon, arising out of, with respect to or by reason of any inaccuracy in or breach of any representation or warranty in Section 3.01 (*Organization and Authority of Seller*), Section 3.03 (*Capitalization*), Section 3.16 (*Taxes*) and Section 3.19 (*Brokers*) or on account of Seller’s fraudulent or criminal misconduct.

(d) Payments by an Indemnifying Party pursuant to Section 7.02 or Section 7.03, as the case may be, in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party (or its Affiliates) in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement. To the extent that any Indemnified Party is entitled to indemnification pursuant to Section 7.02 or Section 7.03, the Indemnifying Party shall be entitled to exercise, and shall be subrogated to, any rights and remedies (including rights of indemnity, rights of contribution and other rights of recovery) that any Indemnified Party may have to insurance policies or similar contracts with respect to which such Indemnified Party is a beneficiary. Each Indemnified Party shall take such actions as the Indemnifying Party may reasonably request for the purpose of enabling the Indemnifying Party to perfect or exercise the right of subrogation of the Indemnified Party under this Section 7.04(d).

(e) In no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special, statutory, exemplary or indirect damages, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple, in each case, regardless of whether such damages were foreseeable and whether or not Seller or its Affiliates or Representatives has been advised of the possibility of such damages, and notwithstanding the failure of any agreed or other remedy of its essential purpose.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all commercially reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

(g) Payments by an Indemnifying Party pursuant to Section 7.02 or Section 7.03, as the case may be, in respect of any Loss shall be reduced (but not below zero) by the amount of any actual net reduction in cash payments for Taxes realized by any Indemnified Party as a result of the Losses giving rise to such indemnity claim. If the indemnity amount is paid prior to any Indemnified Party realizing any actual reduction in cash payments for Taxes in connection with the Losses giving rise to such payment, and such Indemnified Party subsequently realizes such actual reduction in cash payments for Taxes, then such Indemnified Party shall pay the amount of such actual reduction in cash payments for Taxes (but not in excess of the indemnification payment or payments paid by the Indemnifying Party with respect to such Losses) to the Indemnifying Party.

(h) Each Party agrees that, for so long as such Party has any right of indemnification pursuant to Section 7.02 or Section 7.03, it will not, and agrees to use its commercially reasonable efforts to ensure that its Affiliates (including with respect to Buyer following the Closing Date, the Target Group) do not, voluntarily or by discretionary action (including conducting any invasive sampling or testing), accelerate the timing, or increase the cost, of any obligation of any Indemnifying Party under pursuant to Section 7.02 or Section 7.03 (any such voluntary or discretionary action, a “**Prohibited Action**”); *provided, however* that the “Prohibited Action” shall not be deemed to include any action which in the written opinion of Indemnified Party’s legal counsel is required to be taken in order to be in compliance with applicable Law. Notwithstanding anything to the contrary in this Agreement, the Indemnifying Party shall not be obligated to indemnify any Indemnified Party for any Loss arising out of or by reason of or in connection with or due to any Prohibited Action.

Section 7.05 Indemnification Procedures.

(a) Third Party Claims. If any Indemnified Party receives notice of a Third Party Claim, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third Party Claim, subject to Section 7.05(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Party’s right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement or fails to diligently prosecute the defense of such Third Party Claim, the Indemnified Party may, subject to Section 7.05(b), pay, compromise and defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third Party Claim, including making available (subject to the provisions of Section 5.06) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third Party Claim.

(b) Settlement of Third Party Claims. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this Section 7.05(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defense pursuant to Section 7.05(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) Direct Claims. Any claim by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (each, a “**Direct Claim**”) shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. During such thirty (30)-day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party’s investigation by giving such information and assistance (including access to the Target Group’s premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30)-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

(d) Tax Claims. Notwithstanding any other provision of this Agreement, the control of any claim, assertion, event or proceeding in respect of Taxes of any Target (including any such claim in respect of a breach of the representations and warranties in Section 3.16 hereof or any breach or violation of or failure to fully perform any covenant, agreement, undertaking or obligation in Article VI) shall be governed exclusively by Section 6.03.

Section 7.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 7.07 Buyer Setoff Right. Subject to the other terms and conditions of this Article VII, if Seller is determined, pursuant to a final, non-appealable order of a court of competent jurisdiction, to be liable to Buyer under Section 7.02, then Buyer shall have the right to withhold and set off the amount of Losses to which Buyer is entitled under Section 7.02 in accordance with such final, non-appealable order against any amount otherwise due and payable under this Agreement or applicable Law directly by Buyer or any Target to Seller or any Affiliate of Seller that is an Affiliate of Seller at the time of the effectuation of such withholding or set off.

Section 7.08 Exclusive Remedies. Subject to Section 8.11, the Parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud or criminal conduct on the part of a Party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this Article VII. In furtherance of the foregoing, each Party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Party and its Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this Article VII. Nothing in this Section 7.08 shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to Section 5.02 or Section 8.11 or to seek any remedy on account of fraud or criminal conduct by any Party hereto.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 8.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a .PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.02):

If to Seller:	Palm Coast Data Holdco, Inc. c/o AMREP Corporation 620 West Germantown Pike, Suite 175 Plymouth Meeting, PA 19462 E-mail: cvitale@amrepcorp.com Attention: President
with a required copy to (which shall not constitute notice):	AMREP Corporation 620 West Germantown Pike, Suite 175 Plymouth Meeting, PA 19462 E-mail: jmcmonagle@amrepcorp.com Attention: Chief Financial Officer
with a required copy to (which shall not constitute notice):	Duane Morris LLP 222 Delaware Avenue, Suite 1600 Wilmington, Delaware 19801-1659 Facsimile: (302) 397-2455 E-mail: CMWinter@duanemorris.com Attention: Christopher M. Winter
If to Buyer:	Studio Membership Services, LLC 347 West 36 th Street, Unit 1300 New York, New York 10018 E-mail: liam@studio.vc Attention: Liam Lynch
with a required copy to (which shall not constitute notice):	Husch Blackwell LLP 555 East Wells Street, Suite 1900 Milwaukee, Wisconsin 53202-3819 Facsimile:(414) 223-5000 E-mail: philip.koutnik@huschblackwell.com Attention: Phil Koutnik

Section 8.03 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word “or” is not exclusive; and (c) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 8.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Except as provided in Section 5.02, upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.06 Entire Agreement. This Agreement and the Transaction Documents constitute the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement, the Transaction Documents, the Exhibits and Disclosure Schedules hereto (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 8.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its rights or obligations hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning Party of any of its obligations hereunder.

Section 8.08 No Third Party Beneficiaries. Except as provided in Section 5.05, Section 5.08 and Article VII, this Agreement is for the sole benefit of the Parties and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Party. No waiver by any Party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the Party so waiving. No waiver by any Party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF NEW YORK IN EACH CASE LOCATED IN THE CITY OF NEW YORK IN THE BOROUGH OF MANHATTAN, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT OR THE TRANSACTION DOCUMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.10 (c).

Section 8.11 Specific Performance. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the Parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 8.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Either Party may copy this completed Agreement for electronic storage in a non-editable format, at which time the paper form of this Agreement may be destroyed. Each Party agrees that following the electronic storage of this Agreement, any hardcopy printout of that electronically stored information will constitute an original of this Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Membership Interest Purchase Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

Palm Coast Data Holdco, Inc.

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President and Chief Executive Officer

BUYER:

Studio Membership Services, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

DISCLOSURE SCHEDULES
TO
MEMBERSHIP INTEREST PURCHASE AGREEMENT

by and between

PALM COAST DATA HOLDCO, INC.

and

STUDIO MEMBERSHIP SERVICES, LLC

dated as of

April 26, 2019

These Disclosure Schedules (these “**Disclosure Schedules**”) are being delivered pursuant to the Membership Interest Purchase Agreement (the “**Purchase Agreement**”), dated as of the date hereof, by and between Palm Coast Data Holdco, Inc., a Delaware corporation (“**Seller**”), and Studio Membership Services, LLC, a Delaware limited liability company (“**Buyer**”). Capitalized terms used but not defined herein shall have the same meanings ascribed to such terms in the Purchase Agreement.

These Disclosure Schedules are arranged in sections corresponding to the numbered and lettered sections and subsections contained in the Purchase Agreement. Any information disclosed in these Disclosure Schedules under any section number shall be deemed to be disclosed and incorporated in the Disclosure Schedules under any other section to the extent the relevance of such information to such other section would be reasonably apparent to a reader of such information.

Disclosure of any information or document herein is not a statement or admission that it is material or required to be disclosed herein. The descriptive headings in these Disclosure Schedules are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning, construction or interpretation of, these Disclosure Schedules or the Purchase Agreement.

No disclosure in these Disclosure Schedules relating to any possible breach or violation of any agreement, Law or regulation shall be construed as an admission or indication that any such breach or violation exists or has actually occurred, and no disclosure in these Disclosure Schedules constitutes an admission of any liability or obligation of Buyer or Seller to any third party nor an admission against interests of Buyer or Seller to any third party.

Section 1.01
Seller's Knowledge

1. Christopher V. Vitale
2. James M. McMonagle
3. Rory Burke

Section 3.05
No Conflicts

Customer Contracts

1. Fulfillment Services Agreement, dated as of February 5, 2001, by and between The Archaeological Institute of America, Inc. and Kable Fulfillment Services, including all amendments, schedules, and attachments thereto
2. Membership Fulfillment Services Agreement, dated as of November 1, 2006, by and between Palm Coast Data, LLC and BASS, LLC, including all amendments, schedules, and attachments thereto
3. Master Services Agreement, dated as of April 2014, by and between Crain Communications, Inc. and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
4. Service Agreement, entered into December 1, 1994, by and between Bauer Publishing LP and Fulfillment Corporation of America, including all amendments, schedules, and attachments thereto
5. Subscription Fulfillment Services Agreement, effective as of September 18, 2015, by and between HistoryNet, LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
6. Master Services Agreement, effective as of January 12, 2016, by and between Palm Coast Data LLC and Magellan Solutions USA Inc., including all amendments, schedules, and attachments thereto
7. Subscription Fulfillment Services Agreement, dated as of August 28, 2018, by and between National Wildlife Federation and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
8. Contract Number 05F9218, dated August 7, 2006, by and between the New York City Transit Authority and Kable News Company, Inc., including all amendments, schedules, and attachments thereto
9. Subscription Fulfillment Services Agreement, dated as of September 10, 2018, by and between New York Media, LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
10. Fulfillment Services Agreement, effective as of April 1, 2015, by and between Remedy Health Media LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
11. Subscription Fulfillment Services Agreement, dated as of May 14, 2018, by and between Smithsonian Institution and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto; Support Agreement, dated as of May 14, 2018, by and between AMREP Corporation and Smithsonian Institution, including all amendments, schedules, and attachments thereto

12. Fulfillment Services Agreement, dated as of December 21, 1995, by and between TEN: The Enthusiast Network (as successor to or assignee of Cowles Magazines, Inc.) and Palm Coast Data, Inc., including all amendments, schedules, and attachments thereto; Circulation Subscription Fulfillment Services Agreement, dated as of April 4, 2002, by and between PCD Acquisition L.L.C. and TEN: The Enthusiast Network (as successor to or assignee of Primedia Magazines Inc.), including all amendments, schedules, and attachments thereto
13. Fulfillment Services Agreement, dated January 13, 1997, between Palm Coast Data, Inc. and The National Rifle Association of America, Inc., including all amendments, schedules, and attachments thereto; Agreement, dated December 31, 1998, between National Rifle Association of America and Palm Coast Data, Inc., including all amendments, schedules, and attachments thereto; Membership Fulfillment Services Agreement, dated August 1, 2011, by and between The National Rifle Association of America and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
14. Broker Agreement, dated as of December 4, 2018, between Palm Coast Data LLC and NPS Media Group
15. Circulation Subscription Fulfillment Services Agreement, dated as of September 1, 1999, between Palm Coast Data Inc. and Active Interest Media (as successor to or assignee of Sabot Publishing), including all amendments, schedules, and attachments thereto

Supplier Contracts

1. Purchase Agreement for Equipment and Software License and related agreements, between Advantage Computing Systems, Inc. and Palm Coast Data, Inc., including all amendments, schedules, and attachments thereto; Software Installation Services Addendum to Purchase Agreement and related agreements, by and between Advantage Computing Systems, Inc. and Palm Coast Data Inc., including all amendments, schedules, and attachments thereto
2. Master Agreement and related agreements, between Palm Coast Data LLC and AT&T, including all amendments, schedules, and attachments thereto; AT&T IP Flexible Reach Pricing Schedule, by and between Palm Coast Data LLC and AT&T, including all amendments, schedules, and attachments thereto; AT&T Managed Internet Service Pricing Schedule, by and between Palm Coast Data LLC and AT&T, including all amendments, schedules, and attachments thereto
3. Service Agreement Order Specification Form and Service Agreement Supplement and related agreements, by and between Kable Fulfillment Services and Avaya, including all amendments, schedules, and attachments thereto
4. Master Agreement and related agreements, by and between Océ North America, Inc. and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto

5. Qwest Total Advantage Agreement and related agreements, by and between Palm Coast Data, LLC and Qwest Communications Company, LLC, including all amendments, schedules, and attachments thereto
6. Master Software License and Services Agreement and related agreements, by and between CA, Inc. and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto; Program Product License Agreements and related agreements, between Palm Coast Data Limited and Goal Systems International Inc., including all amendments, schedules, and attachments thereto
7. Term Lease Supplements and related agreements, by and between IBM Credit LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
8. Agreement for Distribution Services and related agreements, by and between Palm Coast Data LLC and National Parcel Logistics, Inc., including all amendments, schedules, and attachments thereto
9. Oracle License and Services Agreements and related agreements, by and between Palm Coast Data LLC and Oracle Corporation, including all amendments, schedules, and attachments thereto
10. SunGard Planning Solutions Master Software License Agreement and related agreements, by and between Palm Coast Data, LLC and SunGard Planning Solutions, including all amendments, schedules, and attachments thereto
11. Agreements, dated August 7, 2014 and February 5, 2015, between Palm Coast Data and RR Donnelley International Services, including all amendments, schedules, and attachments thereto
12. Contracts related to each Benefit Plan, including all amendments, schedules, and attachments thereto
13. Client Services Agreement, dated February 1, 2016, by and among Paycor, Inc. and Palm Coast Data, LLC, including all amendments, schedules, and attachments thereto
14. Terms and Conditions, dated August 10, 2017, between SMS Systems Maintenance Services, Inc. and Palm Coast Data, including all amendments, schedules, and attachments thereto; Statement of Work SOW19-0085-CD36940, dated March 8, 2019, between Curvature, Inc. and Palm Coast Data, LLC, including all amendments, schedules, and attachments thereto

(d)

Due to the Closing of the transactions contemplated by the Purchase Agreement, the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the regulations thereunder may accord to the Pension Benefit Guaranty Corporation (the “PBGC”) the right to require AMREP Corporation and its affiliates to accelerate the funding of certain unfunded pension-related obligations to the Retirement Plan for Employees of AMREP Corporation (the defined benefit pension plan of AMREP Corporation). Notice is to be provided to the PBGC with respect to the transactions contemplated by the Purchase Agreement.

Section 3.08(a)
Material Contracts

Customer Contracts

1. Fulfillment Services Agreement, dated January 13, 1997, between Palm Coast Data, Inc. and The National Rifle Association of America, Inc., including all amendments, schedules, and attachments thereto; Agreement, dated December 31, 1998, between National Rifle Association of America and Palm Coast Data, Inc., including all amendments, schedules, and attachments thereto; Membership Fulfillment Services Agreement, dated August 1, 2011, by and between The National Rifle Association of America and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
2. Fulfillment Services Agreement, dated as of December 21, 1995, by and between TEN: The Enthusiast Network (as successor to or assignee of Cowles Magazines, Inc.) and Palm Coast Data, Inc., including all amendments, schedules, and attachments thereto; Circulation Subscription Fulfillment Services Agreement, dated as of April 4, 2002, by and between PCD Acquisition L.L.C. and TEN: The Enthusiast Network (as successor to or assignee of Primedia Magazines Inc.), including all amendments, schedules, and attachments thereto
3. Vendor Agreement, dated March 19, 2019, by and between Palm Coast Data LLC and F+W Media, Inc., including all amendments, schedules, and attachments thereto; Circulation Subscription Fulfillment Services Agreement, dated as of September 2, 2003, by and between Palm Coast data, LLC and F&W Publications, Inc., including all amendments, schedules, and attachments thereto
4. Membership Fulfillment Services Agreement, dated as of September 1, 2009, by and between Palm Coast Data, LLC and Sierra Club, including all amendments, schedules, and attachments thereto
5. Circulation Subscription Fulfillment Services Agreement, dated as of September 1, 1999, between Palm Coast Data Inc. and Active Interest Media (as successor to or assignee of Sabot Publishing), including all amendments, schedules, and attachments thereto

6. Subscription Fulfillment Services Agreement, dated as of May 14, 2018, by and between Smithsonian Institution and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto; Support Agreement, dated as of May 14, 2018, by and between AMREP Corporation and Smithsonian Institution, including all amendments, schedules, and attachments thereto
7. Neodata Circulation Fulfillment Service Agreement, dated May 13, 1983, between A.C. Nielsen Company and Boardroom Reports, Inc., including all amendments, schedules, and attachments thereto
8. Fulfillment Services Agreement, effective as of April 1, 2015, by and between Remedy Health Media LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
9. Contract Number 05F9218, dated August 7, 2006, by and between the New York City Transit Authority and Kable News Company, Inc., including all amendments, schedules, and attachments thereto
10. Master Services Agreement, dated as of April 2014, by and between Crain Communications, Inc. and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
11. Fulfillment Services Agreement, entered into as of October 14, 2003, by and between Yankee Publishing, Incorporated and Kable Fulfillment Services, including all amendments, schedules, and attachments thereto
12. Membership Fulfillment Services Agreement, dated as of November 1, 2006, by and between Palm Coast Data, LLC and BASS, LLC, including all amendments, schedules, and attachments thereto
13. Subscription Fulfillment Services Agreement, dated as of February 13, 2013, by and between Palm Coast Data LLC and Morris Communications Company, LLC, including all amendments, schedules, and attachments thereto
14. Circulation Subscription Fulfillment Services Agreement, dated as of November 11, 2009, by and between Palm Coast Data, LLC and Upper Room Ministries, including all amendments, schedules, and attachments thereto
15. Broker Agreement, dated as of December 4, 2018, between Palm Coast Data LLC and NPS Media Group, including all amendments, schedules, and attachments thereto
16. Service Agreement, entered into December 1, 1994, by and between Bauer Publishing LP and Fulfillment Corporation of America, including all amendments, schedules, and attachments thereto
17. Subscription Fulfillment Services Agreement, dated as of August 28, 2018, by and between National Wildlife Federation and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
18. Circulation Subscription Fulfillment Services Agreement, dated March 1, 2010, by and between Palm Coast Data LLC and Premiere Radio Networks, Inc., including all amendments, schedules, and attachments thereto

19. Fulfillment Services Agreement, dated as of February 5, 2001, by and between The Archaeological Institute of America, Inc. and Kable Fulfillment Services, including all amendments, schedules, and attachments thereto
20. General Services Agreement, dated as of November 17, 2006, by and between Good Sam Enterprises, LLC (formerly known as Affinity Group, Inc.) and Kable Fulfillment Services, Inc., including all amendments, schedules, and attachments thereto
21. Master Services Agreement, effective as of January 12, 2016, by and between Palm Coast Data LLC and Magellan Solutions USA Inc., including all amendments, schedules, and attachments thereto
22. Subscription Fulfillment Services Agreement, effective as of September 18, 2015, by and between HistoryNet, LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
23. Subscription Fulfillment Services Agreement, dated as of September 10, 2018, by and between New York Media, LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
24. Circulation Subscription Fulfillment Services Agreement, dated as of September 1, 2008, between Palm Coast Data LLC and Metrocorp, including all amendments, schedules, and attachments thereto
25. Subscription Fulfillment Services Agreement, effective as of January 1, 2015, by and between Saturday Evening Post Society and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto

Supplier Contracts

1. Contracts related to each Benefit Plan, including all amendments, schedules, and attachments thereto
2. Transportation Services Agreement and related agreements, by and between Rapid Armored Corporation and Kable News Company, Inc., including all amendments, schedules, and attachments thereto
3. Agreement for Distribution Services and related agreements, by and between Palm Coast Data LLC and National Parcel Logistics, Inc., including all amendments, schedules, and attachments thereto
4. Oracle License and Services Agreements and related agreements, by and between Palm Coast Data LLC and Oracle Corporation, including all amendments, schedules, and attachments thereto
5. Postage Meter Rental Agreement, dated March 13, 2018, between Palm Coast Data and Neopost USA, Inc., including all amendments, schedules, and attachments thereto
6. Qwest Total Advantage Agreement and related agreements, by and between Palm Coast Data, LLC and Qwest Communications Company, LLC, including all amendments, schedules, and attachments thereto

7. SunGard Planning Solutions Master Software License Agreement and related agreements, by and between Palm Coast Data, LLC and SunGard Planning Solutions, including all amendments, schedules, and attachments thereto
8. Master Software License and Services Agreement and related agreements, by and between CA, Inc. and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto; Program Product License Agreements, dated December 31, 1985, between Palm Coast Data Limited and Goal Systems International Inc., including all amendments, schedules, and attachments thereto
9. Term Lease Supplements and related agreements, by and between IBM Credit LLC and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
10. Agreements, dated August 7, 2014 and February 5, 2015, between Palm Coast Data and RR Donnelley International Services, including all amendments, schedules, and attachments thereto
11. Purchase Agreement for Equipment and Software License and related agreements, between Advantage Computing Systems, Inc. and Palm Coast Data, Inc., including all amendments, schedules, and attachments thereto; Software Installation Services Addendum to Purchase Agreement and related agreements, by and between Advantage Computing Systems, Inc. and Palm Coast Data Inc., including all amendments, schedules, and attachments thereto
12. Master Agreement and related agreements, between Palm Coast Data LLC and AT&T, including all amendments, schedules, and attachments thereto; AT&T IP Flexible Reach Pricing Schedule and related agreements, by and between Palm Coast Data LLC and AT&T, including all amendments, schedules, and attachments thereto; AT&T Managed Internet Service Pricing Schedule and related agreements, by and between Palm Coast Data LLC and AT&T, including all amendments, schedules, and attachments thereto
13. Service Agreement Order Specification Form and Service Agreement Supplement and related agreements, by and between Kable Fulfillment Services and Avaya, including all amendments, schedules, and attachments thereto
14. Client Services Agreement, dated February 1, 2016, by and among Paycor, Inc. and Palm Coast Data, LLC, including all amendments, schedules, and attachments thereto
15. Carrier Agreement, dated May 24, 2016, between United Parcel Service Inc. and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
16. System and Program Purchase Agreement, dated March 30, 2011, by and between Creditron Corporation and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto
17. Terms and Conditions, dated August 10, 2017, between SMS Systems Maintenance Services, Inc. and Palm Coast Data, including all amendments, schedules, and attachments thereto; Statement of Work SOW19-0085-CD36940, dated March 8, 2019, between Curvature, Inc. and Palm Coast Data, LLC, including all amendments, schedules, and attachments thereto

18. Master Service Agreement and related agreements, by and between Datavail Corporation and Palm Coast Data LLC, including all amendments, schedules, and attachments thereto

To Seller's Knowledge, the following suppliers do not have ongoing executory contracts: United Envelope LLC, Double Envelope Co., Florida Power and Light, Mar Graphics, MCS Services, Forest Envelope Company, American Diversity BusSolution, Martin and Associates, Stamps Now, Essentra Packaging, Curvature, Inc., Three Z Printing Company, Kenmore Envelope Company, Inc., Cenveo, GH Printing.

Section 3.14
Employee Benefit Matters

(a)

1. Health Welfare Benefits: Palm Coast Data Choice HSA Plan; Palm Coast Data Choice Plus Plan
2. Lincoln Financial Group – Group Insurance Policy Providing Life Insurance, Accidental Death and Dismemberment Insurance (both voluntary and regular)
3. Lincoln Financial Group – Group Long-Term Disability Insurance Policy
4. AMREP Corporation Employees’ Short Term Disability Plan Class 1 – All Full Time Employees
5. Fidelity Security Life Insurance Company – Vision Care Benefits
6. Palm Coast Data, LLC Members Elec Dental Low Plan (Group Voluntary Dental Preferred Provider Organization (PPO) Insurance)
7. Palm Coast Data, LLC Members Elec Dental High Plan (Group Voluntary Dental Preferred Provider Organization (PPO) Insurance)
8. AMREP Corporation and its Subsidiaries, Code of Business Conduct and Ethics and Employee Handbook, dated as of January 1, 2019
9. AMREP Corporation Severance Plan, effective March 6, 2014, as amended.
10. Palm Coast Data LLC Savings and Salary Deferral Plan (formerly known as the AMREP Corporation Savings and Salary Deferral Plan)
11. Retirement Plan for Employees of AMREP Corporation, as amended
12. Change in Control Agreement, dated March 5, 2014, between Palm Coast Data LLC and Rory Burke.
13. Commission Agreement, dated August 1, 2018, between Palm Coast Data LLC and Doug Kline.
14. Commission Agreement, dated August 1, 2018, between Palm Coast Data LLC and Gary Blumenfeld.
15. Commission Agreement, dated August 1, 2018, between Palm Coast Data LLC and TJ Roache.
16. \$4,000 life insurance benefit provided to certain employees in connection with Kable Fulfillment Services acquiring Fulfillment Corporation of America (FCA) in 1994.
17. Section 125 Cafeteria Plan
18. Flexible Spending Account and Dependent Care Assistance Plan.

(b)

1. Health Welfare Benefits: Palm Coast Data Choice HSA Plan; Palm Coast Data Choice Plus Plan
2. Lincoln Financial Group – Group Insurance Policy Providing Life Insurance, Accidental Death and Dismemberment Insurance (both voluntary and regular)
3. Lincoln Financial Group – Group Long-Term Disability Insurance Policy
4. AMREP Corporation Employees’ Short Term Disability Plan Class 1 – All Full Time Employees
5. Fidelity Security Life Insurance Company – Vision Care Benefits
6. Palm Coast Data, LLC Members Elec Dental Low Plan (Group Voluntary Dental Preferred Provider Organization (PPO) Insurance)
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11. Section 125 Cafeteria Plan
12. Flexible Spending Account and Dependent Care Assistance Plan.

(d)

\$4,000 life insurance benefit provided to certain employees in connection with Kable Fulfillment Services acquiring Fulfillment Corporation of America (FCA) in 1994.

(f)

Due to the Closing of the transactions contemplated by the Purchase Agreement, ERISA and the regulations thereunder may accord to the PBGC the right to require AMREP Corporation and its affiliates to accelerate the funding of certain unfunded pension-related obligations to the Retirement Plan for Employees of AMREP Corporation (the defined benefit pension plan of AMREP Corporation).

**Section 5.01
Resignations**

Company	Managers	Officers
Palm Coast Data LLC	Christopher V. Vitale James M. McMonagle	Christopher V. Vitale James M. McMonagle
FulCircle Media, LLC	Christopher V. Vitale James M. McMonagle	Christopher V. Vitale James M. McMonagle
Media Data Resources, LLC	Christopher V. Vitale James M. McMonagle	Christopher V. Vitale James M. McMonagle

Section 5.05(a)
Director and Officer Indemnification and Insurance

Section 5.05(d)
Continuing Insurance Policies

Upon the payment of any required premiums by Buyer or the Target Group, the following policies are expected to be available to the Target Group: Employment Practices Liability; Professional Technology E&O for Media, Cyber Security, Privacy; Fiduciary Liability; Crime; General Liability; Property and Casualty; Business Auto; Umbrella Policy; and Workers' Compensation.

INDUSTRIAL LEASE (WH/OFC)
(TRIPLE NET)

2 COMMERCE BOULEVARD, PALM COAST, FLORIDA

Basic Lease Information

Date: April 26, 2019 ("Effective Date")

Tenant: Palm Coast Data LLC, a Florida limited liability company

Landlord: Two Commerce LLC, a Florida limited liability company

Premises (**Section 1.1**): All space(s) in the building outlined in **Exhibit A**, containing approximately 61,139 square feet (more or less) of building area, the street address of which is known as 2 Commerce Boulevard, Palm Coast, Florida 32164

Property (**Section 1.1**): The land and the building(s) outlined in **Exhibit A**, containing approximately 10.32 acres (more or less) of total area, located at 2 Commerce Boulevard, Palm Coast, Florida 32164

Term (**Section 2.1**): Ten (10) years

Commencement Date (**Section 2.1**): Effective Date of this Lease.

Expiration Date (**Section 2.1**): The date that is ten (10) years after the Commencement Date; provided that if the Expiration Date would fall on a date that is not the last day of a month, then the Expiration Date shall be automatically extended to the last day of the month.

Base Rent (**Section 3.1(a)**):

Period*	Annual Base Rent, \$s per annum	Monthly Base Rent, \$'s per month
1	\$ 570,000.00	\$ 47,500.00
2	\$ 582,450.00	\$ 48,537.50
3	\$ 595,598.40	\$ 49,633.20
4	\$ 612,469.20	\$ 51,039.10
5	\$ 631,588.20	\$ 52,632.35
6	\$ 654,481.20	\$ 54,540.10
7	\$ 678,175.50	\$ 56,514.63**
8	\$ 702,699.30	\$ 58,558.28**
9	\$ 728,081.10	\$ 60,673.43**
10	\$ 754,351.50	\$ 62,862.63**

* "Period" shall refer to the following periods of time: As to the first (1st) Period, the time from the Commencement Date through the date which is the last day of the month during which falls the date which is one (1) year thereafter; and each successive Period shall refer to each consecutive full twelve (12) month period next succeeding the immediately preceding Period). All rent under this Lease shall be due together with (that is, plus) all taxes due thereon, including without limitation the State of Florida sales tax on rents (see Section 3.5 below). All monthly installment amounts shall be prorated for any partial month at the rate of 1/365th of the annualized amount thereof for each day of the partial month.

**When multiplied by 12, this monthly value will not precisely equal the annualized amount noted in the adjacent column; the annualized amount is deemed correct as the actual amount due provided, timely payment of each monthly installment shall be deemed correct payment on an annualized basis with any discrepancies in pennies ignored by the parties.

Tenant's Percentage Share (**Section 3.1(b)**): 100%

Initial Additional Monthly Rent Estimate (dollars per month) (**Section 3.2**): Initially, \$0 but subject to the following*

*The parties acknowledge that so long as the Lease remains as originally written, the obligations of performance concerning repair, maintenance, replacement, insurance and real estate taxes of all aspects of the entirety of the Premises and the Property including without limitation its common areas (thus including without limitation all constructed improvements thereon), as more particularly specified herein (the "Total Asset Obligations") will be and remain the sole obligations and liabilities of the Tenant; and so long as Tenant honors those obligations and is timely incurring and paying those amounts to perform all of its Total Asset Obligations, then, this Lease will not give rise to any further items of additional rent other than as may be expressly provided in this Lease (such as for insurance premiums for Landlord's insurance); provided: (x) as a cumulative remedy, should Tenant fail to honor any of those obligations and should Landlord elect to do so on Tenant's behalf, with no obligation to do so but with every right to do so, and in addition to all rights and remedies for default, Landlord may elect to perform any of those Total Asset Obligations on Tenant's behalf and the express right to do so is hereby granted to Landlord; and, in such case all such costs and amounts for any of such Total Asset Obligations so performed by Landlord may be charged to Tenant through the vehicle specified in this Lease concerning the "Triple Net Charges" as defined below or as Landlord may elect shall be due immediately as an item of additional rent upon invoice therefor.

Security Deposit (**Section 3.3**): \$0.00

Rent Payment Address (**Section 3.1(c)**): 620 West Germantown Pike, Suite 175, Plymouth Meeting, PA 19462; provided, however, as specified below, pending further written notice of Landlord's election to permit or require otherwise, all payments shall be made to Landlord through wire transfer

Permitted Use of the Premises (**Section 4.1**): General warehouse, light-industrial, office, and related uses in connection with the operation of Tenant's business at and from the Premises subject to Tenant's compliance with all applicable law, and subject to any restrictions, limitations or other matters of Public Record and subject to the terms of this Lease.

Landlord's Address (**Section 14.1**): 620 West Germantown Pike, Suite 175, Plymouth Meeting, PA 19462

Tenant's Address (**Section 14.1**): 2 Commerce Boulevard, Palm Coast, Florida 32164

Real Estate Broker(s) (**Section 14.6**): None.

Exhibit A - Plan(s) Outlining the Premises and the Property

Exhibit B - Form of Memorandum Confirming Term

Exhibit C - Permitted Use of Hazardous Materials

Exhibit D - Lease Guaranty Agreement

Other Attachments (if any): None.

The foregoing **Basic Lease Information** is incorporated in and made a part of the balance of the **Lease** to which it is attached and collectively all of the same constitutes the **Lease**.

Balance of the **Lease** commences after the following Table of Contents.

TABLE OF CONTENTS

	Page
ARTICLE 1 Premises	1
1.1 <u>Lease of Premises</u>	1
ARTICLE 2 Term	
2.1 <u>Term of Lease</u>	1
2.2 <u>Adjustment of Expiration Date</u>	1
2.3 <u>Holding Over</u>	2
ARTICLE 3 Rent	2
3.1 <u>Base Rent and Additional Rent</u>	2
3.2 <u>Procedures</u>	3
3.3 <u>Reserved</u>	3
3.4 <u>Late Payment</u>	4
3.5 <u>Other Taxes Payable by Tenant</u>	4
3.6 <u>Certain Definitions</u>	4
3.7 <u>No Accord and Satisfaction</u>	5
ARTICLE 4 Use of the Premises	5
4.1 <u>Permitted Use</u>	5
4.2 <u>Environmental Definitions</u>	6
4.3 <u>Environmental Requirements</u>	6
4.4 <u>Compliance With Law</u>	7
4.5 <u>Radon</u>	7
4.6 <u>Entry by Landlord</u>	7
ARTICLE 5 Utilities and Services	7
5.1 <u>Tenant's Responsibilities</u>	7
ARTICLE 6 Maintenance and Repairs	8
6.1 <u>Landlord</u>	8
6.2 <u>Obligations of Tenant</u>	8
ARTICLE 7 Alteration of the Premises	9
7.1 <u>No Alterations by Tenant</u>	9
7.2 <u>Landlord's Property</u>	9
7.3 <u>No Liens</u>	9
ARTICLE 8 Indemnification and Insurance	10
8.1 <u>Damage or Injury</u>	10
8.2 <u>Insurance</u>	10
8.3 <u>Waiver of Subrogation</u>	10

8.4	<u>Landlord Insurance Requirements</u>	11
ARTICLE 9 Assignment or Sublease		11
9.1	<u>Prohibition</u>	11
ARTICLE 10 Events of Default and Remedies		12
10.1	<u>Default by Tenant</u>	12
10.2	<u>Terminations</u>	13
10.3	<u>Tenant's Primary Duty</u>	14
10.4	<u>Abandoned Property</u>	14
10.5	<u>Landlord Default</u>	14
10.6	<u>Early Termination Options</u>	15
ARTICLE 11 Casualty		17
11.1	<u>Casualty</u>	17
ARTICLE 12 Eminent Domain		17
12.1	<u>Condemnation</u>	17
ARTICLE 13 Subordination and Sale		18
13.1	<u>Subordination</u>	18
13.2	<u>Estoppel Certificate</u>	19
ARTICLE 14 Miscellaneous		19
14.1	<u>Notices</u>	19
14.2	<u>General</u>	19
14.3	<u>No Waiver</u>	19
14.4	<u>Attorneys' Fees</u>	20
14.5	<u>Exhibits</u>	20
14.6	<u>Broker(s)</u>	20
14.7	<u>Waivers of Jury Trial and Certain Damages</u>	20
14.8	<u>Force Majeure</u>	21
14.9	<u>Interpretation</u>	21
14.10	<u>Counterparts</u>	21
14.11	<u>Entire Agreement</u>	21
14.12	<u>Guaranty</u>	21

EXHIBITS:

EXHIBIT A - PLAN(S) OUTLINING THE PREMISES AND THE PROPERTY
EXHIBIT B - MEMORANDUM CONFIRMING TERM
EXHIBIT C - PERMITTED USE OF HAZARDOUS MATERIALS
EXHIBIT D - LEASE GUARANTY AGREEMENT

LEASE

THIS LEASE, made as of the date specified in the **Basic Lease Information**, is by and between Landlord and Tenant.

WITNESSETH:

ARTICLE 1 Premises

1.1 **Lease of Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises located on the Property, all as approximately shown or outlined on **Exhibit A**, attached. The Property is comprised of the land and the building(s) in which the Premises is located. During the term of this Lease, in addition to the Premises, Tenant shall have the right to use only for their intended purposes the common areas in the Property that are designated by Landlord as common areas, initially meaning all parts and portions of the Property other than the Premises. Landlord shall have the right from time to time at Landlord's sole cost and expense and following prior written notice to Tenant to change the size, location, configuration, character or use of any such common areas, construct additional improvements or facilities in any such common areas, or close any such common areas so long as such changes result in no material adverse interference of Tenant's ongoing use and operation as permitted in this Lease.

ARTICLE 2 Term

2.1 **Term of Lease.** The term of this Lease shall be the term specified in the **Basic Lease Information**, which shall commence on the Commencement Date and, unless sooner terminated by law or as hereinafter provided, shall end on the Expiration Date. If Landlord, for any reason whatsoever, does not deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, but, in such event, the Commencement Date shall be postponed until the date on which Landlord delivers possession of the Premises to Tenant. Landlord shall have no obligation to construct or install any improvements in the Premises or the Property and Tenant shall accept the Premises "as is" on the Commencement Date. Landlord and Tenant expressly agree that there are and shall be no implied warranties of merchantability, habitability, fitness, for a particular purpose or of any other kind arising out of this Lease and there are no warranties which extend beyond those expressly set forth in this Lease. As an express condition to Landlord's willingness to enter into this Lease and without satisfaction of which Landlord would not have proceeded to execute this Lease, Tenant expressly confirms and acknowledges its Total Asset Obligations and will honor, abide by and comply with such Total Asset Obligations at all times.

2.2 **Adjustment of Expiration Date.** If the Commencement Date as determined in accordance with **Section 2.1** hereof is not the first day of a calendar month, then a period of time equal to the number of days between the Commencement Date and the first day of the month next following shall be added to the term and the Expiration Date shall be extended accordingly (so that it concludes on the last day of a month and thereafter includes annual periods of twelve (12) full consecutive months each) (and rents shall prorate for any partial month as provided above). For example, if the Commencement Date is April 20, 2019, then the Expiration Date shall be April 30, 2029 and the amount of Base Rent specified in the **Basic Lease Information** applicable to year 1 shall be paid from April 20, 2019 through April 30, 2020. Landlord and Tenant each shall, promptly after the actual Commencement Date has been determined, execute and deliver to the other a Memorandum Confirming Term in the form of **Exhibit B** attached hereto, but the term of this Lease shall commence and end in accordance with this Lease whether or not the Memorandum Confirming Term is executed.

2.3 **Holding Over.** If, with written consent by Landlord, Tenant holds possession of the Premises after expiration of the term of this Lease, Tenant shall become a tenant from month to month under this Lease, but the Base Rent during such month to month tenancy shall be equal to one hundred twenty five percent (125%) of the Base Rent in effect at the expiration of the term of this Lease. Landlord and Tenant each shall have the right to terminate such month to month tenancy by giving at least thirty (30) days' written notice of termination to the other at any time, in which event such tenancy shall terminate on the termination date set forth in such termination notice. If, without written consent by Landlord, Tenant holds possession of the Premises after expiration of the term of this Lease, then such continued occupancy shall be deemed an unconsented to holdover tenancy and a tenancy at sufferance for which Landlord shall have all rights and remedies at law and in equity; and as a cumulative remedy and not as a definitive measure of Landlord's damages, Tenant shall be liable for an amount equal to one hundred fifty percent (150%) of the Base Rent in effect during the final month of the now expired term, such liability accruing for each day of such holding over until exclusive possession is restored to Landlord with the Premises in the condition to which they were required to have been kept and maintained and in the condition for surrender of possession as required by this Lease.

ARTICLE 3 **Rent**

3.1 **Base Rent and Additional Rent.** Tenant shall pay to Landlord the following amounts as rent for the Premises:

(a) During the term of this Lease, Tenant shall pay to Landlord, as base rent, the amount of Base Rent specified in the **Basic Lease Information**.

(b) During each calendar year (or part thereof) during the term of this Lease, if ever applicable as provided above concerning Tenant's Total Asset Obligations, Tenant shall pay to Landlord, as additional monthly rent, Tenant's Percentage Share of all (x) CAM Expenses paid or incurred by Landlord in such year; (y) Property Taxes paid or incurred by Landlord in such year; and (z) Insurance Costs paid or incurred by Landlord in such year. The charges for the foregoing CAM Expenses, Property Taxes and Insurance Costs are also herein collectively sometimes referred to as the "NNN Charges" or the "Triple Net Charges". Notwithstanding the foregoing, so long as this Lease remains as initially structured so that Tenant retains its Total Asset Obligations, then there shall be no charges passed through to Tenant under parts (x), (y) and (z) immediately above for such NNN Charges (subject to any Landlord's insurance premium and cost charges separately invoiced to Tenant as provided below); and Tenant shall directly, timely and properly undertake and effectuate all obligations of payment and performance for all aspects of the Total Asset Obligations. Tenant will periodically (as reasonably determined by Landlord) deliver to Landlord copies of reasonable evidence of its timely and proper direct payment of the foregoing costs and charges to the appropriate party in each case; thus including without limitation the direct payment to the taxing authority of all Property Taxes, direct payment to all insurance companies of all premiums and costs for all Insurance Costs, and direct contracting and payment for all services and maintenance and repairs and replacements in and to the Premises and common areas, including without limitation to and for the building in which the Premises are situated (and its roof and all of its electrical, mechanical and plumbing systems), the structure and foundation and slabs and exterior walls thereof, exterior surfaces, windows, and window cleaning, maintenance, repair and painting; and common areas parking lot and grounds-keeping including without limitation landscaping maintenance, upkeep and replacements.

(c) Throughout the term of this Lease, if ever applicable, Tenant shall pay, as additional rent, all other amounts of money and charges required to be paid by Tenant under this Lease. As used in this Lease, “rent” shall mean and include all Base Rent, additional monthly rent and additional rent payable (as applicable) by Tenant in accordance with this Lease. Tenant shall pay without notice, demand, deduction or offset all Base Rent and (if applicable) additional monthly rent under **Section 3.1** hereof to Landlord, in advance, on or before the first day of each calendar month during the term of this Lease, at the address for the payment of rent specified in the **Basic Lease Information**, or to such other person or at such other place as Landlord may from time to time designate in writing. Time shall be strictly of the essence in respect of all payments due Landlord. All payments to Landlord made under this Lease, including without limitation for all rent, shall be made by wire transfer in such commercially reasonable manner and per such commercially reasonable requirements to accomplish same as Landlord may from time to time require.

3.2 **Procedures.** If ever applicable: Landlord’s estimate of the initial monthly rent payable by Tenant under **Section 3.1(b)** hereof each month for the balance of the first calendar year after the Commencement Date is specified in the **Basic Lease Information**. On or before the first day of each subsequent calendar year during the term of this Lease, or as soon thereafter as practicable, Landlord shall give Tenant written notice of Landlord’s estimate of the amounts payable under **Section 3.1(b)** for the ensuing calendar year. Tenant shall pay such estimated amounts to Landlord in equal monthly installments, in advance, on or before the first day of each calendar month during the term of this Lease. If such notice is not given for any calendar year, Tenant shall continue to pay on the basis of the prior year’s estimate until the month after such notice is given, and subsequent payments by Tenant shall be based on Landlord’s current estimate. Within a reasonable time after the end of each calendar year, Landlord will deliver to Tenant a statement of the actual CAM Expenses, Property Taxes and Insurance Costs for the previous year, and, as applicable, Tenant shall pay Landlord within thirty (30) days of Tenant’s receipt of such statement, the amount of any deficiency of the estimated amounts actually collected by Landlord during the previous calendar year compared to the actual amounts shown on such statement or Landlord shall credit any excess amounts collected to the next monthly installments of the amounts payable by Tenant under **Section 3.1(b)** hereof (or, if the term of this Lease has ended, Landlord shall refund the excess to Tenant with such statement), with interest in either case at the rate of five percent (5%) on an annualized basis and, if Landlord had collected an overage of more than five percent (5%) of the actual CAM Expenses, Property Taxes and Insurance Costs for the calendar year and such overage was determined solely as a result of the inspection by Tenant of the books of Landlord relating to CAM Expenses, Property Taxes and Insurance Costs, then Landlord shall also pay Tenant the reasonable third-party out-of-pocket costs of professional fees only of such inspection not to exceed \$2,000.00. Tenant or Tenant’s authorized agent or representative shall have the right once each calendar year upon written notice given within sixty (60) days after receipt of the then current statement, to inspect the books of Landlord relating to CAM Expenses, Property Taxes and Insurance Costs for the immediately prior calendar year only at the office of Landlord’s property manager for the Property for the purpose of verifying the information in such statement. If the term of this Lease commences or ends on a day other than the first or last day of a calendar year, respectively, the amounts payable by Tenant under **Section 3.1(b)** hereof applicable to the calendar year in which such term commences or ends shall be prorated according to the ratio which the number of days during the term of this Lease in such calendar year bears to three hundred sixty five (365). Termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to this **Section 3.2** to be performed after such termination. Whether or not Tenant so inspects books of Landlord, the statement of Landlord concerning the Triple Net Charges shall be deemed final, conclusive and binding unless properly established as requiring a correction pursuant to an accurate contrary finding arising out of a timely, time being strictly of the essence, and properly conducted inspection of the books of Landlord relating to the Triple Net Charges. Under no circumstance shall Tenant be permitted or entitled to challenge, question or otherwise inspect or dispute any statement other than the most recently provided statement and subject to the foregoing.

3.3 **Reserved.**

3.4 **Late Payment.** If any monthly installment of Base Rent or additional monthly rent is not received by Landlord within five (5) days after such installment is due, Tenant shall immediately pay to Landlord a late charge equal to the greater of \$500.00 or twelve percent (12%) of such delinquent installment as liquidated damages and as a cumulative remedy. All amounts of money payable by Tenant to Landlord hereunder, if not paid when due, shall bear interest from the due date until paid at the rate of twelve percent (12%) per annum or if greater, the maximum rate allowed by law, and Tenant shall pay such interest to Landlord on written demand provided if the maximum rate permitted by law is less than twelve percent (12%) per annum, then such maximum rate shall instead apply.

3.5 **Other Taxes Payable by Tenant.** Tenant shall reimburse Landlord, as additional rent, upon written demand for all taxes, assessments, excises, levies, fees and charges, including without limitation all payments related to the cost of providing facilities or services, whether or not now customary or within the contemplation of Landlord and Tenant, that are payable by Landlord and levied, assessed, charged, confirmed or imposed by any public or government authority upon, or measured by, or reasonably attributable to (a) the cost or value of Tenant's furniture, fixtures, equipment and other personal property located in the Premises or the cost or value of any improvements made in or to the Premises by or for Tenant, regardless of whether title to such improvements is vested in Tenant or Landlord, (b) any rent payable under this Lease, including without limitation any gross income tax or excise tax levied by any public or government authority with respect to the receipt of any such rent so long as such tax is a tax on rent, including without limitation the State of Florida sales tax on rents, (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. Such taxes, assessments, excises, levies, fees and charges shall not include net income (measured by the income of Landlord from all sources or from sources other than solely rent) or franchise taxes of Landlord, unless levied or assessed against Landlord in whole or in part in lieu of, as a substitute for, or as an addition to any such taxes, assessments, excises, levies, fees and charges.

3.6 **Certain Definitions.** As used in this Lease, certain words are defined as follows. All of the following terms and provisions concerning "CAM Expenses," "Property Taxes" and "Insurance Costs" remain subject to the terms of this Lease respecting Tenant's Total Asset Obligations:

(a) **"CAM Expenses"** shall mean all direct and indirect costs and expenses paid or incurred by Landlord in connection with the ownership, management, operation, maintenance, replacement, and repair of the Property or providing services in accordance with this Lease including without limitation **Section 6.1** below and, including, but not limited to, all utilities; management fees and expenses; snow and ice and mud removal (if ever applicable); maintenance of the fire suppression systems, if any; accounting and other professional fees and expenses; painting the exterior of the Property or any structures; maintaining and repairing the foundations, the exterior walls and roof, the parking and loading areas, the sidewalks, landscaping and common areas, and the other parts of the Property; costs and expenses required by or resulting from compliance with any laws, ordinances, rules, regulations or orders applicable to the Property; and costs and expenses of contesting by appropriate proceedings any matter concerning managing, operating, maintaining, replacing or repairing the Property, or the validity or applicability of any law, ordinance, rule, regulation or order relating to the Property, or the amount or validity of any Property Taxes. CAM Expenses shall not include Property Taxes, Insurance Costs, charges payable by Tenant pursuant to **Section 3.5** hereof, depreciation on the Property, costs of tenants' improvements, real estate brokers' commissions, interest, or capital costs for major roof or major parking lot replacement or restoration work necessitated by fire or other casualty damage to the extent of net insurance proceeds received by Landlord with respect thereto.

(b) ***“Property Taxes”*** shall mean all taxes, assessments, excises, levies, fees and charges (and any tax, assessment, excise, levy, fee or charge levied wholly or partly in lieu thereof or as a substitute therefor or as an addition thereto) of every kind and description, whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed or imposed by any public or government authority on or against the Property or any part thereof or any personal property used in connection with the Property. Property Taxes shall not include net income (measured by the income of Landlord from all sources or from sources other than solely rent) or franchise taxes of Landlord, unless levied or assessed against Landlord in whole or in part in lieu of, as a substitute for, or as an addition to any Property Taxes. Property Taxes shall not include charges payable by Tenant pursuant to **Section 3.5** hereof or taxes, assessments, excises, levies, fees or charges allocable to common area improvements made by Landlord pursuant to **Section 1.1**. Landlord advises that it makes commercially reasonable evaluation each year of whether and to what extent to challenge or otherwise protest the valuation and/or real estate taxes for the property (***“Tax Protest”***) and where appropriate in Landlord’s sole discretion Landlord may elect to pursue such Tax Protest, acting in each case in a commercially reasonable manner. However, if it wishes to do so, Tenant is permitted to give timely written notice to Landlord (***“Protest Notice”***) that Tenant elects to prosecute such a Tax Protest for the most current year for which such Tax Protest is available. If Tenant delivers the Protest Notice, Tenant shall timely then prosecute the Tax Protest, Tenant shall not withdraw Tax Protest nor abandon its proceedings, and Tenant shall prosecute the Tax Protest in good faith to a proper conclusion. Furthermore, if Tenant prosecutes the Tax Protest, Tenant shall (i) timely follow the legal requirements and conditions to do so, (ii) contemporaneously provide copies to Landlord of all notices to and from the taxing authority pertaining to such Tax Protest, and (iii) contemporaneously provide copies of all notices pertaining to the Tax Protest, to and from Tenant or its designated Tax Protest agent or representative prosecuting the same. Should the Tax Protest result in a successful reduction such that any real estate taxes previously paid are refunded, then, to the extent such refunded amounts had previously been paid by Tenant, Tenant shall be entitled to receive such refunded amount as a credit against subsequently due rents so long as there is no default then continuing (else not until same is cured) or as a refund to Tenant within thirty (30) days of such refund, if the Lease has terminated or expired so long as Tenant is free of then continuing default (else not until same is cured). Should the Tax Protest result in an increase in valuation or real estate taxes, then Tenant shall timely pay the deficiency so resulting. The foregoing provisions concerning Tax Protest shall survive the expiration or termination of the Lease, as applicable to effectuate their intent.

(c) ***“Insurance Costs”*** shall mean all premiums and other charges for all property, earthquake, flood, loss of rental income, business interruption, liability and other insurance relating to the Property carried by Landlord including without limitation under **Section 8.4**.

3.7 **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount of monthly Base Rent and additional rent or any other sum due hereunder, shall be deemed to be other than on account of the earliest due rent or payment, nor shall any endorsement or statement on any check or any letter accompanying any such check or payment be deemed an accord and satisfaction. Landlord agrees there shall be no duplication of charges.

ARTICLE 4 **Use of the Premises**

4.1 **Permitted Use.** Tenant shall use the Premises only for the Permitted Use specified in the **Basic Lease Information** of the Premises and for no other purpose whatsoever. Tenant shall not do or permit to be done in, on or about the Premises, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or will in any way conflict with any law, ordinance, rule, regulation or order now in force or which may hereafter be enacted, or which is prohibited by any insurance policy carried by Landlord for the Property, or will in any way increase the existing rate of, or disallow any fire rating or sprinkler credit, or cause a cancellation of, or affect any insurance for the Property. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of Landlord or (if ever applicable) other tenants of the Property, or injure or annoy them. Tenant shall not store any materials, equipment or vehicles outside the Premises other than as an ancillary part of its operations and agrees that no washing of any type (including without limitation washing vehicles) shall take place in or outside the Premises. Tenant shall not receive, store or otherwise handle any product or material that is explosive or highly inflammable. Tenant shall not install any signs on the Premises without the prior written consent of Landlord.

4.2 **Environmental Definitions.** As used in this Lease, “**Hazardous Materials**” shall mean (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under any Environmental Law, now existing or later adopted during the term of this Lease; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea, formaldehyde foam insulation and polychlorinated biphenyls. “**Environmental Law**” shall mean all federal, state and local laws, statutes, ordinances, regulations, rules, judicial and administrative orders and decrees, permits, licenses, approvals, authorizations and similar requirements of all federal, state and local governmental agencies or other governmental authorities pertaining to the protection of human health and safety or the environment, now existing or later adopted during the term of this Lease. As used in this Lease, “**Permitted Materials**” shall mean the materials, which are not Hazardous Materials or which are Hazardous Materials in amounts and usage permitted by law, handled by Tenant in the ordinary course of conducting the Permitted Use and any Hazardous Materials that are listed by name and maximum quantity and approved by Landlord on **Exhibit C** attached hereto.

4.3 **Environmental Requirements.** Tenant shall not (nor permit others to) use, store or otherwise handle any Hazardous Materials which are not Permitted Materials on or about the Premises and all Permitted Materials shall be stored in a manner that protects the Premises, the Property and the environment from accidental spills and releases. Tenant shall obtain and maintain in effect all permits and licenses required pursuant to any Environmental Law for Tenant’s activities on the Premises, and Tenant shall at all times comply with all applicable Environmental Laws. Tenant shall not store or cause or permit to occur any release of any Hazardous Materials or any condition of pollution or nuisance on or about the Premises and if any release of Hazardous Materials to the environment, or any condition of pollution or nuisance, occurs on or about or beneath the Premises as a result of any act or omission of Tenant or its agents, officers, employees, contractors, invitees or licensees, Tenant shall, at Tenant’s sole cost and expense, promptly undertake all remedial measures required to clean up and abate or otherwise respond to the release, pollution or nuisance in accordance with all applicable Environmental Laws. On or before the date Tenant ceases to occupy the Premises, Tenant shall remove from the Premises all Hazardous Materials and all Permitted Materials handled by or permitted on the Premises by Tenant. Tenant shall not use, store or handle any chlorinated solvent except for de minimis amounts contained in cleaning supplies provided that such chlorinated solvents and their de minimis amounts are listed and approved by Landlord on **Exhibit C** and are used in conformance with Environmental Laws and good environmental practice. Landlord and Landlord’s representatives shall have the right, but not the obligation, to enter the Premises at any reasonable time for the purpose of inspecting the storage, use and handling of any Hazardous Materials on the Premises in order to determine Tenant’s compliance with the requirements of this Lease and applicable Environmental Law and Tenant shall correct any violation within five (5) days after Tenant’s receipt of notice of such violation from Landlord. Tenant shall indemnify and defend Landlord against and hold Landlord harmless from all claims, demands, actions, judgments, liabilities, costs, expenses, losses, damages, penalties, fines and obligations of any nature (including without limitation reasonable attorneys’ fees and disbursements incurred in the investigation, defense or settlement of claims) that Landlord may incur as a result of, or in connection with, claims arising from the presence, use, storage, transportation, treatment, disposal, release or other handling, on or about or beneath the Premises, of any Hazardous Materials introduced or permitted on or about or beneath the Premises by any act or omission of Tenant or its agents, officers, employees, contractors, invitees or licensees. For the avoidance of doubt, Landlord shall indemnify and defend Tenant against and hold Tenant harmless from all claims, demands, actions, judgments, liabilities, costs, expenses, losses, damages, penalties, fines and obligations of any nature (including without limitation reasonable attorneys’ fees and disbursements incurred in the investigation, defense or settlement of claims) that Tenant may incur as a result of, or in connection with, any claims arising outside of the term of the Lease resulting from the presence, use, storage, transportation, treatment, disposal, release or other handling, on or about or beneath the Premises, of any Hazardous Materials introduced or permitted on or about or beneath the Premises by any act or omission of Landlord or its agents, officers, employees, contractors, invitees or licensees subject to the following. Tenant acknowledges it has been in possession of and has operated its business at and upon the Premises prior to the date of execution of this Lease and, as between Tenant and Landlord, Tenant has had a greater opportunity to know and appreciate the environmental condition and status of the Premises and its underlying and immediately surrounding lands. The liability of Tenant and Landlord under this **Section 4.3** shall survive the termination of this Lease.

4.4 **Compliance With Law.** Tenant shall, at Tenant's sole cost and expense, promptly comply with all laws, ordinances, rules, regulations, orders and other requirements of any government or public authority now in force or which may hereafter be in force, with all requirements of any board of fire underwriters or other similar body now or hereafter constituted, and with all directions and certificates of occupancy issued pursuant to any law by any governmental agency or officer, insofar as any thereof relate to or are required by the condition, use or occupancy of the Premises and Property or the operation, use or maintenance of any personal property, fixtures, machinery, equipment or improvements in the Premises or upon the Property.

4.5 **Radon:** Florida Statutes require the inclusion of the following notification: "Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department."

4.6 **Entry by Landlord.** Landlord shall have the right to enter the Premises and Property at any time to (a) inspect, (b) exhibit to prospective purchasers, lenders or tenants, (c) determine whether Tenant is performing all of Tenant's obligations, (d) supply any service to be provided by Landlord (if any is ever applicable), (e) post notices of non-responsibility, and (f) make any repairs to the Premises or any adjoining space or utility services, or make any repairs, alterations or improvements to any other portion of the Property (if such obligation is ever applicable). Tenant waives all claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. All locks for all doors in, on or about the Premises (excluding Tenant's vaults, safes and similar special security areas designated in writing by Tenant) shall be keyed to the master system for the Property. Landlord shall at all times have a key to unlock all such doors and Landlord shall have the right to use any and all means which Landlord may deem proper to open such doors in an emergency to obtain entry to the Premises.

ARTICLE 5

Utilities and Services

5.1 **Tenant's Responsibilities.** Tenant shall pay, directly to the appropriate supplier before delinquency, for all utilities and services supplied to the Premises, together with all taxes, assessments, surcharges and similar expenses relating to such utilities and services. If any such utilities or services are jointly metered with the Premises and another part of the Property (if ever applicable), Landlord shall determine Tenant's share of the cost of such jointly metered utilities and services based on Landlord's estimate of usage, and Tenant shall pay as additional rent Tenant's share of the cost of such jointly metered utilities and services to Landlord within ten (10) days after receipt of Landlord's written statement for such cost. Tenant shall furnish the Premises with all telephone service, window washing, security service, janitor, scavenger and disposal services, and other services required by Tenant for the use of the Premises permitted by this Lease. Tenant shall furnish all electric light bulbs and tubes and restroom supplies used in the Premises. Landlord shall not be in default under this Lease or be liable for any damage or loss directly or indirectly resulting from, nor shall the rent be abated or a constructive or other eviction be deemed to have occurred by reason of, any interruption of or failure to supply or delay in supplying any such utilities and services or any limitation, curtailment, rationing or restriction on use of water, electricity, gas or any resource or form of energy or other service serving the Premises or the Property, whether such results from mandatory restrictions or voluntary compliance with guidelines or any other causes or circumstances other than Landlord's intentional or reckless acts or omissions.

ARTICLE 6
Maintenance and Repairs

6.1 **Landlord.** Landlord does not have any obligations with respect to maintenance or repairs of the Property or Premises. To the extent ever applicable, Tenant waives any right to perform maintenance or make repairs for which Landlord is responsible at Landlord's expense. Any damage to any part of the Property for which Landlord is ever responsible (if any ever so arises) but that is caused by Tenant or any agent, officer, employee, contractor, licensee or invitee of Tenant shall be repaired by Tenant at Tenant's expense.

6.2 **Obligations of Tenant.** Tenant shall maintain and repair the foundations, the exterior walls (which shall include without limitation windows, glass or plate glass, doors, special fronts, entries, or the interior surfaces of exterior walls), the roof and other structural components of the Premises and the common areas of the Property and keep them in good condition, reasonable wear and tear excepted. Tenant shall, at Tenant's sole cost and expense, maintain and repair the Premises and all equipment, fixtures and improvements therein (including without limitation windows, glass, plate glass, doors, special fronts, entries, the interior surfaces of exterior walls, interior walls, floors, heating and air conditioning systems including without limitation replacements of heating and air conditioning systems or major components thereof as necessary, dock boards, truck doors, dock bumpers, plumbing fixtures and equipment, electrical components and mechanical systems) and keep all of the foregoing clean and in good order and operating condition, ordinary wear and tear excepted. Tenant shall not damage the Premises or disturb the integrity and support provided by any wall. Tenant shall take good care of the Premises and keep the Premises free from dirt, rubbish, waste and debris at all times. Tenant shall not exceed the load-bearing capacity of the floors in the Premises. Tenant shall, at Tenant's expense, enter into a regularly scheduled preventative maintenance and service contract with a maintenance contractor approved in writing by Landlord for servicing all hot water, heating, ventilating and air conditioning ("***HVAC***") systems and equipment in the Premises. The maintenance and service contract shall include without limitation all services suggested by the equipment manufacturer and shall become effective (and Tenant shall deliver a copy to Landlord) within thirty (30) days after the Commencement Date. Tenant and Tenant's maintenance contractor shall at all times conduct maintenance on the HVAC equipment at the Premises in accordance with all Federal, state or local laws and repair any leak in the HVAC equipment within the deadline imposed by such Federal, state or local laws, complying with all laws pertaining to refrigerant or coolant composition. In the event of a replacement of a part or portion of the HVAC equipment which is warranted by the manufacturer and/or guaranteed by the installer, Tenant shall provide the Landlord with a duplicate original of the warranty and/or guarantee. Tenant shall, at the end of the term of this Lease, surrender to Landlord the Premises and all alterations, additions, fixtures and improvements therein or thereto in the same condition as when received, ordinary wear and tear excepted but otherwise in the then-state of condition, repair and operation as is required by the Lease to have been kept and maintained throughout the Term.

ARTICLE 7
Alteration of the Premises

7.1 **No Alterations by Tenant.** Tenant shall not make any material alterations or improvements in or to the Premises or any part thereof, or attach any fixtures thereto, without Landlord's prior written consent. Notwithstanding the preceding sentence, upon prior written notice to Landlord, Tenant may make such alterations or improvements without Landlord's consent only if the total cost of such alterations or improvements is Five Thousand Dollars (\$5,000) or less and such alterations or improvements will not affect in any way the structural, exterior or roof elements of the Property or the mechanical, electrical, plumbing or life safety systems of the Property and are strictly interior. Tenant shall submit to Landlord, for Landlord's prior written approval, complete plans and specifications prepared by responsible licensed architect(s) and engineer(s) in compliance with all applicable codes, laws, ordinances, rules and regulations. Tenant shall engage responsible licensed contractor(s) to perform all work and all work shall be performed in accordance with the plans and specifications approved by Landlord, in a good and workmanlike manner, in full compliance with all applicable laws, codes, ordinances, rules and regulations, and free and clear of any mechanics' liens. Tenant shall pay for all work required to make the alterations and improvements. Tenant shall pay to Landlord all direct costs and shall reimburse Landlord for all expenses incurred by Landlord in connection with the review, approval and supervision of any alterations or improvements made by Tenant.

7.2 **Landlord's Property.** All alterations, additions, fixtures and improvements made in or to the Premises by Landlord or Tenant, shall become part of the Property and Landlord's property and upon termination of this Lease, Landlord shall have the right to retain all such alterations, additions, fixtures and improvements in the Premises relinquished by Tenant, without compensation to Tenant, or to remove all such alterations, additions, fixtures and improvements from the Premises, repair all damage caused by any such removal, and restore the Premises to the condition in which the Premises existed before such alterations, additions, fixtures and improvements were made, and in the latter case Tenant shall pay to Landlord, upon billing by Landlord, the cost of such removal, repair and restoration (including without limitation a reasonable charge for Landlord's overhead and profit). All movable furniture, equipment, trade fixtures, computers, office machines and other personal property shall remain the property of Tenant and upon termination of this Lease shall be removed by Tenant from the Property and Tenant shall repair all damage caused by any such removal. Termination of this Lease shall not affect the obligations of Tenant pursuant to this **Section 7.2** to be performed after such termination.

7.3 **No Liens.** Landlord's interest in the Premises and Property is not and shall not be subject to any liens as a result of Tenant's use or occupancy of the Premises including specifically, without limitation, for improvements or alterations made by Tenant, and all such liens are expressly prohibited. Tenant agrees to notify every person making improvements to the Premises of the provisions of this **Section 7.3**, and Tenant's failure to do so shall be a default by Tenant under this Lease. Tenant will not permit any mechanic's lien or materialman's lien to be filed against the Premises. These provisions are intended to allow Landlord to secure the benefit of the applicable provisions of the Florida Construction Lien Law and specifically Florida Statutes, Section 713.10 (and any successor thereto), so as to properly insulate Landlord's fee and other interests in and to the land, Property and Premises, from the encumbrance of any such liens. In the event any such lien is filed or claimed against the Premises or Property because of work done for or materials furnished to or for the benefit of Tenant, or if any other lien is claimed against the Premises or Property as a result of Tenant's use or occupancy thereof, then Tenant shall cause same to be discharged within five (5) days of receiving notice of same. Landlord has the right, but not the obligation, to discharge any such lien. Any amount paid by Landlord for such purpose and Landlord's related reasonable attorneys' fees shall be paid by Tenant to Landlord upon demand and shall accrue interest from the date paid by Landlord until Landlord is reimbursed therefor at the highest rate permitted by Law, all as an item of additional rent and as a cumulative remedy.

ARTICLE 8
Indemnification and Insurance

8.1 **Damage or Injury.** Landlord shall not be liable to Tenant, and Tenant hereby waives all claims against Landlord, for any damage to or loss or theft of any property or for any bodily or personal injury, illness or death of any person in, on or about the Premises or the Property arising at any time and from any cause whatsoever other than arising out of Landlord's intentional or reckless acts or omissions. Tenant shall indemnify and defend Landlord against and hold Landlord harmless from all claims, demands, liabilities, damages, losses, costs and expenses, including without limitation reasonable attorneys' fees and disbursements through and including without limitation all appellate and bankruptcy levels and proceedings, arising from or related to any use or occupancy of the Premises and Property, or any condition of the Premises or Property, or any default in the performance of Tenant's obligations under this Lease, or any damage to any property (including without limitation property of employees and invitees of Tenant) or any bodily or personal injury, illness or death of any person (including without limitation employees and invitees of Tenant) occurring in, on or about the Premises or Property, or any part thereof arising at any time other than arising out of Landlord's intentional or reckless acts or omissions. This **Section 8.1** shall survive the termination of this Lease with respect to any damage, bodily or personal injury, illness or death occurring prior to such termination.

8.2 **Insurance.** Tenant agrees and hereby covenants that it shall, during the entire term hereof, keep in force and effect a policy or policies required by law and the following (i) commercial general liability insurance with respect to the Premises and the Property, and the business operated by Tenant and any subtenants of Tenant in the Premises, in which the limits shall not be less than \$2,000,000 per occurrence and \$3,000,000 general aggregate; (ii) business auto liability insurance with limits not less than \$2,000,000 for any owned, hired or non owned auto; if Tenant has no owned autos, Tenant may provide hired and non owned auto liability coverage or agree to provide evidence of auto liability coverage prior to using a vehicle for its business activity on the property; (iii) workers compensation insurance in statutory limits for all of its employees in the states in which the employees are working on behalf of the tenant and employers liability insurance with limits of the greater of \$500,000 or that required by law; (iv) umbrella excess liability insurance in excess of underlying coverages required above with limits not less than \$5,000,000; (v) all risk property insurance, including without limitation business income and extra expense, which insures the improvements, fixtures, inventory, and all other property of Tenant, within the Premises or on the Property, against any loss arising from fire, flooding, lightning, earthquake, windstorm, hail, rain, water leakage, seepage, the elements or other casualty, for the full replacement value of such property. The liability policies shall name Landlord and any person, firm, or corporation designated by Landlord as an additional insured or as an additional named insured, as Landlord shall require, evidenced by an additional insured endorsement reasonably acceptable to Landlord, and shall contain a clause stating that the insured will not cancel or materially reduce the insurance below the limits required without first giving Landlord thirty (30) days' prior written notice. Such insurance shall be primary and non-contributory to Landlord and the coverage afforded by such policy will not be subject or entitled to any contribution, reduction, or other benefit from or by reason of any insurance coverage carried by Landlord and will be issued by and carried with an insurance company with a minimum Best's Rating of A- VII or better or as otherwise approved by Landlord in Landlord's sole and absolute discretion. A certificate of insurance, as Landlord may require, shall be immediately delivered to Landlord prior to commencement and at each renewal.

8.3 **Waiver of Subrogation.** Each of Landlord and Tenant waives on behalf of all insurers under all policies of property insurance now or hereafter carried insuring or covering the Premises or the Property, or any portion or any contents thereof, or any liabilities arising out of operations therein, all rights of subrogation which any such insurer might otherwise, if at all, have to any claims of Tenant against Landlord or Landlord against Tenant, as applicable but only to the extent of the net insurance proceeds payable under such policies (or which would have been payable had the party carried all insurance herein required). Landlord and Tenant shall procure from each of the insurers under all policies of property insurance now or hereafter carried by such party insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, a waiver of all rights of subrogation which the insurer might otherwise, if at all, have to any claims of either party against the other as required by this **Section 8.3**.

8.4 **Landlord Insurance Requirements.** Landlord shall, at all times during the term of this Lease, secure and maintain:

(a) All risk property insurance coverage on the Property. Landlord shall not be obligated to insure any furniture, equipment, trade fixtures, machinery, goods, or supplies which Tenant may keep or maintain in the Premises or any alteration, addition or improvement which Tenant may have made or may make upon the Premises. In addition, Landlord may secure and maintain rental income insurance and any other insurance coverage required to be maintained by any mortgagee of the property. The annual cost to Landlord for such property or rental income insurance, whether or not it exceeds the standard rates because of the nature of Tenant's operations, shall be includable in the Triple Net Charges and may be invoiced separately to Tenant as an item of additional rent, due upon delivery of such invoice in each instance.

(b) Commercial general liability insurance with limits not less than \$5,000,000 per occurrence and aggregate, which may be satisfied through an umbrella policy. Such insurance shall be in addition to, and not in lieu of, insurance required to be maintained by Tenant. Tenant shall not be named as an additional insured on any policy of liability insurance maintained by Landlord. The annual cost to Landlord for such commercial general liability insurance, whether or not it exceeds the standard rates because of the nature of Tenant's operations, shall be includable in the Triple Net Charges and may be invoiced separately to Tenant as an item of additional rent, due upon delivery of such invoice in each instance.

ARTICLE 9
Assignment or Sublease

9.1 **Prohibition.** Tenant shall not, directly or indirectly, without the prior written consent of Landlord, assign (including without limitation any assignment by operation of law) this Lease or any interest herein or sublease the Premises or any part thereof, or permit the use or occupancy of the Premises by any person or entity other than Tenant (but subject to the following concerning a "Consolidation Allowed Sublease"). No assignee or subtenant of Tenant shall have a right further to assign this Lease or sublease the Premises, and all money and other economic consideration to be paid by the assignee or subtenant as a result of an assignment or sublease in excess of the total amount of rent which Tenant is obligated to pay to Landlord under this Lease (prorated to reflect the rent allocable to the portion of the Premises subject to such assignment or sublease) shall be paid by Tenant to Landlord as additional rent. No assignment or sublease whatsoever shall release Tenant from Tenant's obligations and liabilities under this Lease or alter the primary liability of Tenant to pay all rent and to perform all obligations to be paid and performed by Tenant. Tenant shall pay to Landlord all direct costs and shall reimburse Landlord for all expenses (including without limitation reasonable attorneys' fees) incurred by Landlord in connection with any assignment or sublease requested by Tenant. Landlord may, in its reasonable discretion, consider all factors cognizable by law as reasonable to evaluate and consider in making its determination of whether to consent, including without limitation making a study of the financial wherewithal and credit of any proposed successor or subtenant and, in the case of an assignment, may require additional guaranties as appropriate to satisfy reasonable financial standards and criteria for approval. Any guaranty of an individual offered shall be joined by spouse and shall be in Landlord's then current commercially reasonable form. Landlord may condition any consent to any assignment, upon the execution and delivery of Landlord's commercially reasonable form of instrument, executed by Landlord, Tenant, the successor (assignee) tenant, and any new guarantor(s) then so arising, under the terms of which (i) the Tenant (as assignor) agrees and confirms to the foregoing continued obligations and liabilities and assigns all of its rights, title and interest in and to the Lease and all moneys having been paid thereunder, including without limitation any security deposit, (ii) the successor (as assignee) agrees to assume the Lease in all respects and to assume all obligations of payment and performance thereunder, past, present and future, including without limitation for the express benefit of Landlord and accepts the Premises in its then as-is condition, (iii) Landlord shall not be liable for, and Tenant and the successor (as assignee) shall, jointly and severally, hold Landlord harmless against and indemnify Landlord for and from any commission(s) payable associated with the assignment, and (iv) the successor (as assignee) agrees to provide all proper current evidence of insurance as called for in this Lease prior to first entry upon, on or into the Premises. Landlord may condition any consent to any sublease, upon the execution and delivery to Landlord of a commercially reasonable form of sublease agreement as between Tenant and such subtenant, under the terms of which (i) Tenant shall continue to remain primarily liable for the payment of all amounts of rental and other sums and performance of all covenants required of Tenant under the Lease, (ii) there shall be no modifications or amendments of the sublease without the prior written consent of Landlord, (iii) the subtenant shall not be granted any rights of Tenant under the Lease nor the power to exercise same, (iv) it is provided that in the event of any default under the terms and provisions of the Lease, Landlord shall have the right to collect the rental attributable to the subleased space directly from the subtenant without waiving any of Landlord's rights against Tenant, (v) Landlord shall not be liable for, and Tenant and the subtenant shall, jointly and severally, hold Landlord harmless against and indemnify Landlord for and from any commission(s) payable associated with the sublease, and (vi) nothing in the sublease will be deemed to amend or modify the Lease as between Tenant and Landlord, and the subtenant will expressly confirm and acknowledge that the sublease is inferior and subordinate to the Lease in all respects. Notwithstanding the foregoing prohibition, in the event Tenant in fact consolidates all of its operations into a distinct portion of the Premises or into the Premises set forth in the Adjacent Lease (as defined below), then, Tenant may sublease the portion or the entirety of the Premises it has vacated for such reason to any subtenant meeting commercially reasonable criteria as to its creditworthiness and business reputation as Tenant may reasonably elect and without necessity of securing Landlord's advance written consent thereto (herein, a "Consolidation Allowed Sublease").

ARTICLE 10
Events of Default and Remedies

10.1 **Default by Tenant.** The occurrence of any one or more of the following events ("*Event of Default*") shall constitute a breach of this Lease by Tenant:

(a) Tenant fails to pay any Base Rent, or any additional monthly rent under **Section 3.1** hereof, or any other amount of money payable by Tenant hereunder as and when such rent becomes due and payable and such failure continues for more than five (5) days after Landlord gives written notice thereof to Tenant; provided, however, that after the second such failure in a calendar year, only the passage of time, but no further written notice, shall be required to establish an Event of Default in the same calendar year; or

(b) Tenant fails to perform or breaches any other agreement or covenant of this Lease to be performed or observed by Tenant as and when performance or observance is due and such failure or breach continues for more than thirty (30) days after Landlord gives written notice thereof to Tenant; provided, however, that if, by the nature of such agreement or covenant, such failure or breach cannot reasonably be cured within such period of thirty (30) days, an Event of Default shall not exist as long as Tenant promptly commences with due diligence and dispatch the curing of such failure or breach within such period of thirty (30) days and, having so commenced, thereafter prosecutes its efforts with continuous diligence and dispatch in good faith and completes the curing of such failure or breach within a reasonable period of time; or

(c) Tenant (i) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (ii) makes an assignment for the benefit of its creditors, or (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Tenant or of any substantial part of Tenant's property; or

(d) Without consent by Tenant, a court or government authority enters an order, and such order is not vacated within thirty (30) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Tenant or with respect to any substantial part of Tenant's property, or (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, or (iii) ordering the dissolution, winding-up or liquidation of Tenant; or

(e) This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days; or

(f) There is an Event of Default under that certain Lease being entered into contemporaneously herewith ("**Adjacent Lease**") for premises therein identified as the **11 Commerce Boulevard building**, located at 11 Commerce Boulevard, Palm Coast, Florida 32164 (herein the "**Cross Default**" or the "**Cross Default event**"). All references to an Event of Default shall include without limitation and be deemed to also mean any instance of a Cross Default event as well.

10.2 **Terminations.** If an Event of Default occurs, Landlord shall have the right at any time to give a written termination notice to Tenant and, on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination, Landlord shall have the full and immediate right to possession of the Premises and Landlord shall have the right to recover from Tenant all unpaid rent which had been earned at the time of termination, all unpaid rent for the balance of the term of this Lease after termination, and all other amounts necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform all of Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. In addition, if an Event of Default occurs, Landlord shall have the right to terminate Tenant's right to possession only without terminating the Lease. Neither such termination of Tenant's right to possession nor Landlord's taking and holding possession thereof shall terminate the Lease or release Tenant, in whole or in part, from any obligation, including without limitation Tenant's obligation to pay the rent, including without limitation any amounts treated as additional rent, under this Lease for the full Term, and if Landlord so elects Tenant shall pay forthwith to Landlord the sum equal to the entire amount of the rent, including without limitation any amounts treated as additional rent under this Lease, for the remainder of the Term plus any other sums provided in this Lease to be paid by Tenant for the remainder of the Term. Only in the circumstance where Landlord terminates Tenant's right to possession without terminating the Lease (unless expressly required by law), Landlord shall make commercially reasonable efforts subject to the following, to attempt to relet the Premises or any part thereof for such rent and upon such terms as Landlord, in its commercially reasonable discretion, shall determine (including without limitation the right to relet the premises for a greater or lesser term than that remaining under this Lease, the right to lease for greater or lesser rents, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises). In connection with or in preparation for any reletting, Landlord may, but shall not be required to, make repairs, alterations and additions in or to the Premises and redecorate the same to the extent Landlord deems necessary or desirable, and clean the same; and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of reletting, including without limitation any commission incurred by Landlord. Landlord and Tenant agree that nevertheless Landlord shall at most be required to use only the same efforts Landlord then uses to lease other properties it may own and that in any case Landlord shall not be required to give any preference or priority to the showing or leasing of the Premises over any other properties that Landlord may be leasing or have available and may place a suitable prospective tenant in any such other space regardless of when such other space becomes available. Landlord shall not be required to observe any instruction given by Tenant about any reletting or accept any tenant offered by Tenant unless such offered tenant has a credit-worthiness acceptable to Landlord and leases the entire Premises upon terms and conditions including without limitation a rate of rent (after giving effect to all expenditures by Landlord for tenant improvements, broker's commissions and other leasing costs) all no less favorable to Landlord than as called for in this Lease but in its sole and absolute discretion Landlord may deviate from the criteria of minimum standards set out in this sentence including without limitation accepting such a proposed successor at lesser rents but without thereby waiving Landlord's right of recovery for damages so arising, including without limitation damages related to the "spread" of less rent than otherwise called for in this Lease. If an Event of Default occurs and Landlord does not exercise its right to terminate the Lease, then this Lease shall continue in effect for so long as Landlord does not terminate the Lease, and Landlord shall have the right to enforce all its rights and remedies under this Lease, including without limitation the right to recover all rent as it becomes due under this Lease. Notwithstanding anything to the contrary contained herein, upon the occurrence of an Event of Default, Landlord shall have the right to exercise and enforce all rights and remedies granted or permitted by law and the remedies provided for in this Lease are cumulative and in addition to all other remedies available to Landlord at law or in equity, by statute or otherwise. Surrender of the Premises can be effected only by the written agreement of Landlord and Tenant and exercise by Landlord of any remedy shall not be deemed to be an acceptance of surrender of the Premises by Tenant, either by agreement or by operation of law. Landlord shall be entitled to recover all of its pre-suit attorneys' fees incurred in connection with or arising out of any instance of breach, default or violation of the Lease by Tenant which is not timely cured after written notice and demand.

10.3 **Tenant's Primary Duty.** All agreements and covenants to be performed or observed by Tenant under this Lease shall be at Tenant's sole cost and expense and without any abatement of rent. If Tenant fails to pay any sum of money to be paid by Tenant or to perform any other act to be performed by Tenant under this Lease, Landlord shall have the right, but shall not be obligated, and without waiving or releasing Tenant from any obligations of Tenant, to make any such payment or to perform any such other act on behalf of Tenant in accordance with this Lease. All sums so paid by Landlord and all costs incurred or paid by Landlord shall be deemed additional rent hereunder and Tenant shall pay the same to Landlord on written demand, together with interest on all such sums and costs from the date of expenditure by Landlord to the date of repayment by Tenant at the rate of eighteen (18) percent or if greater, the maximum rate allowed by law provided if the maximum rate permitted by law is less than eighteen (18%) percent per annum, then such maximum rate shall instead apply.

10.4 **Abandoned Property.** If Tenant abandons the Premises, or is dispossessed by process of law or otherwise, any movable furniture, equipment, trade fixtures or personal property belonging to Tenant and left in the Premises shall be deemed to be abandoned, at the option of Landlord, and Landlord shall have the right to sell or otherwise dispose of such personal property in any commercially reasonable manner.

10.5 **Landlord Default.** If Landlord defaults under this Lease, Tenant shall give written notice to Landlord specifying such default with particularity, and Landlord shall have thirty (30) days after receipt of such notice within which to cure such default. In the event of any default by Landlord, Tenant's exclusive remedy shall be an action for damages. Notwithstanding any other provision of this Lease, Landlord shall not have any personal liability under this Lease. In the event of any default by Landlord under this Lease, Tenant agrees to look solely to the equity or interest then owned by Landlord in the Property, and in no event shall any deficiency judgment or personal money judgment of any kind be sought or obtained against Landlord. For clarity and to avoid all doubt: Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Property. The obligations of Landlord under this Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of Landlord's investment manager or any trustees or board of directors and officers, as the case may be, general partners, beneficiaries, stockholders, employees, or agents of Landlord or the investment manager.

10.6 **Early Termination Options**. The following early termination rights exist on the terms and conditions set forth below:

(a) One Time Only Early Termination Right:

(i) **In General**: Notwithstanding any other term or condition of the Lease, including in respect of the duration of the Term, provided Tenant is not in monetary default or violation of the Lease and provided Tenant is not in material non-monetary default or violation of any term or condition of the Lease beyond any thereto applicable notice and curative period, Tenant is granted the unconditional right in its sole discretion to terminate the Lease earlier than the otherwise anticipated natural expiration date but subject to the following conditions and obligations and only if Tenant properly makes the same election under the Adjacent Lease to terminate the Adjacent Lease early and at the same time as this Lease, under the identical One Time Only Early Termination Right provisions set forth in the Adjacent Lease.

(ii) **Timing and Notice**: Any such notice of election for early termination ("**Early Termination Notice**") can be given at any time during the initial Term of this Lease subject to the following and no such Early Termination Notice shall be effective or binding unless accompanied by the payment to Landlord of good, collected US dollars in the amount of the "**Termination Fee**" defined below. Subject to the terms hereof, a properly given Early Termination Notice accompanied by the correct payment of the Termination Fee shall irrevocably commit Tenant to such early termination election and shall cause the Lease to be deemed to naturally expire as of the last day of the fourth (4th) month following the month during which the Early Termination Notice is given; herein the "**Early Termination Date**".

(iii) **Computation of Termination Fee**: For these purposes, "**Termination Fee**" means the amount equal to (A) a sum computed as of the Early Termination Date, of the "Present Value" of the "Accelerated Base Rents", as these terms are defined hereafter, plus (B) all rent to be due through the Early Termination Date. The "**Present Value**" of the "**Accelerated Base Rents**" shall mean the aggregate of each commercially typical present value determination as of the Early Termination Date, of each otherwise future installment of Base Rent only, as such installments of Base Rent would otherwise be payable for each future month throughout what otherwise would be the balance of the initial Term; employing for each such month's present value computation, a discount rate equal to the per annum Wall Street Journal Prime Rate as of the date of payment.

(iv) **Effect; Treated as Natural Expiration**: In case of the timely delivery of such Early Termination Notice properly accompanied by the full amount of such Termination Fee, then this Lease shall terminate upon the Early Termination Date as though such date were scheduled all along as the natural expiration date of the Term in the same manner and subject to the same terms and conditions of the Lease governing the circumstance of a natural expiration of the Term; and the Lease shall automatically be deemed amended thereby to establish such Early Termination Date as though it had been stipulated from inception as the date of natural expiration of the term of the Lease without any further or surviving rights of renewal or extension.

(v) **Sales Tax:** No obligation to pay sales or rent tax on such Termination Fee amount paid will arise subject to the following. In order to assure that sales or rent tax should not come due upon the payment of the Termination Fee, the parties agree as follows: Landlord and Tenant acknowledge and agree that the Termination Fee represents liquidated damages and is not a penalty and neither party shall record or report such payment as rental income or rental expense, respectively. The foregoing covenant is being made so that sales tax will not be due in connection with such cancellation payment pursuant to Rule 12A-1.070(4)(g) of the Florida Administrative Code as same may be amended, updated, substituted or replaced. If either party hereto violates the foregoing covenant, such party shall be solely liable for the payment of any Florida sales tax that may result therefrom and, consonant with the risk set forth at Rule 12A-1.0704(g)(4.) of the Florida Administrative Code (as same may be amended, updated, substituted or replaced), each party agrees it shall indemnify and hold the other harmless from and against any such tax payment, which the indemnified party is required to pay, where the indemnified party complied with its obligations herein, but where the indemnifying party did not.

(b) **One Time Only Early Termination Right at 6 Year Mark:**

(i) **In General:** Notwithstanding any other term or condition of the Lease, including in respect of the duration of the Term, provided Tenant is not in monetary default or violation of the Lease and provided Tenant is not in material non-monetary default or violation of any term or condition of the Lease beyond any thereto applicable notice and curative period, Tenant is granted the unconditional right in its sole discretion to terminate the Lease earlier than the otherwise anticipated natural expiration date but subject to the following conditions and obligations and only if Tenant properly makes the same election under the Adjacent Lease to terminate the Adjacent Lease early and at the same time as this Lease, under the identical One Time Only Early Termination Right at Year 6 Mark provisions set forth in the Adjacent Lease.

(ii) **Timing and Notice:** Any such notice of election for early termination (“**Early Termination Notice at 6 Period Mark**”) can be given if at all only within the thirty (30) day period immediately preceding the 180th day prior to the last day of Period 6 of the initial Term, time being strictly of the essence subject to the following and no such Early Termination Notice at 6 Period Mark shall be effective or binding unless, within ninety (90) days after the giving of the Early Termination Notice at 6 Period Mark, Tenant timely delivers to Landlord the payment of good, collected US dollars in the amount of the “**Termination Fee at 6 Period Mark**” defined below. Subject to the terms hereof, a properly given Early Termination Notice at 6 Period Mark so timely followed by the correct payment of the Termination Fee at 6 Period Mark shall irrevocably commit Tenant to such early termination election and shall cause the Lease to be deemed to naturally expire as of the last day of the first month of Period 7 of the initial Term of the Lease; herein the “**Early Termination Date at Period 6 Mark**”.

(iii) **Computation of Termination Fee at 6 Period Mark:** For these purposes, “**Termination Fee at Period 6 Mark**” means the amount equal to (A) a sum computed as ninety (90%) percent of the same sum which otherwise would be computed as the Termination Fee under Section 10.6(a)(iii)(A) immediately above, had said Section 10.6(a)(iii)(A) applied so as to bring about the Early Termination Date under said Section 10.6(a)(iii)(A) on the same day as the Early Termination Date at Period 6 Mark hereunder, plus (B) all rent to be due through the Early Termination Date at Period 6 Mark.

(iv) **Effect; Treated as Natural Expiration:** In case of the timely delivery of such Early Termination Notice at 6 Period Mark properly and timely thereafter followed by the full amount of the Termination Fee at 6 Period Mark, then, this Lease shall terminate upon the Early Termination Date at Period 6 Mark as though such date were scheduled all along as the natural expiration date of the Term in the same manner and subject to the same terms and conditions of the Lease governing the circumstance of a natural expiration of the Term; and the Lease shall automatically be deemed amended thereby to establish such Early Termination Date at Period 6 Mark as though it had been stipulated from inception as the date of natural expiration of the term of the Lease without any further or surviving rights of renewal or extension.

(v) **Sales Tax**: No obligation to pay sales or rent tax on such Termination Fee at 6 Period Mark amount paid will arise subject to the following. In order to assure that sales or rent tax should not come due upon the payment of the Termination Fee at 6 Period Mark, the parties agree as follows: Landlord and Tenant acknowledge and agree that the Termination Fee at 6 Period Mark represents liquidated damages and is not a penalty and neither party shall record or report such payment as rental income or rental expense, respectively. The foregoing covenant is being made so that sales tax will not be due in connection with such cancellation payment pursuant to Rule 12A-1.070(4)(g) of the Florida Administrative Code as same may be amended, updated, substituted or replaced. If either party hereto violates the foregoing covenant, such party shall be solely liable for the payment of any Florida sales tax that may result therefrom and, consonant with the risk set forth at Rule 12A-1.0704(g)(4.) of the Florida Administrative Code (as same may be amended, updated, substituted or replaced), each party agrees it shall indemnify and hold the other harmless from and against any such tax payment, which the indemnified party is required to pay, where the indemnified party complied with its obligations herein, but where the indemnifying party did not.

ARTICLE 11

Casualty

11.1 **Casualty**. If fire or other casualty damages the Premises or common areas of the Property necessary for Tenant's use and occupancy of the Premises, whether or not such damage is the result of the negligence or willful misconduct of Tenant or Tenant's agents, officers, employees, contractors, licensees or invitees, and irrespective of any resulting period during which the Premises is rendered unusable by such damage, Tenant nonetheless shall not be entitled to any reduction in Base Rent or any other rents due hereunder; such circumstance shall not give rise to any excuse, legal or otherwise, for Tenant's continued obligations of payment and performance under this Lease and this Lease shall not thereby terminate; and Tenant shall be responsible to repair, reconstruct, replace and restore at Tenant's sole cost and expense, all parts and portions of the Premises and Property so effected by casualty so as to restore same to its prior condition and state; provided, in its sole and absolute discretion, by election made within thirty (30) days after receipt of written notice from Tenant of such casualty event, Landlord may instead elect to receive all insurance proceeds arising by reason thereof and to terminate the Lease. If Landlord does not exercise the right to elect to receive such insurance proceeds and terminate this Lease in accordance with this **Section 11.1**, then, as noted above this Lease shall (subject to the terms of this **Section 11.1**) remain in full force and effect and Tenant shall repair such damage and restore the Property and the Premises to substantially the same condition in which the Property and the Premises existed before the occurrence of such fire or other casualty without limiting such obligations to the amount of insurance proceeds available. Landlord shall not be obligated to make any repairs nor replacements nor to effectuate any restorations and shall have no liability for any damage to, nor have obligation to make any replacement of, any movable furniture, equipment, trade fixtures or personal property in the Premises or upon the Property. Tenant shall, at Tenant's sole cost and expense, repair and replace all such movable furniture, equipment, trade fixtures and personal property and any other parts or portions thereof. In the absence of Landlord's election as aforesaid, this Lease shall not terminate notwithstanding any and every manner of casualty, including without limitation a total destruction of the Premises and Property.

ARTICLE 12
Eminent Domain

12.1 **Condemnation.** Landlord shall have the right to terminate this Lease if any part of the Premises or any substantial part of the Property (meaning more than thirty 30% percent of the acreage of the land whether or not inclusive of the Premises or more than fifty 50% percent of the square footage of the Premises) is taken by exercise of the power of eminent domain (including without limitation any voluntary conveyance in lieu thereof) before the Commencement Date or during the term of this Lease. Tenant shall have the right to terminate this Lease only if more than fifty (50%) percent of the square footage of the Premises is taken by exercise of the power of eminent domain during the term of this Lease, or, if so much of the Property (other than the Premises) is taken by exercise of the power of eminent domain during the term of this Lease that the remaining portion of the Property is insufficient to meet requirements of law to permit the continued use and legally required minimum available parking and access to the Premises necessary for the permitted use hereunder. In each such case, Landlord or Tenant shall exercise such termination right by giving written notice to the other within thirty (30) days after the date of such taking. If either Landlord or Tenant exercises such right to terminate this Lease in accordance with this **Section 12.1**, this Lease shall terminate as of the date of such taking. If neither Landlord nor Tenant exercises such right to terminate this Lease in accordance with this **Section 12.1**, this Lease shall terminate as to the portion of the Premises or Property so taken as of the date of such taking and shall remain in full force and effect as to the portion of the Premises or Property not so taken, and, but only in case of a reduction of the square footage of the Premises, the monthly Base Rent only shall be reduced as of the date of such taking in the proportion that the area of the Premises so taken bears to the total area of the Premises. In the absence of a termination of the Lease, Tenant at Tenant's sole cost and expense shall promptly and diligently repair, reconstruct, replace and restore all parts and portions of the Premises and Property including without limitation constructed improvements thereon as necessary to then continue operations for the permitted use hereunder. If all of the Premises is taken by exercise of the power of eminent domain before the Commencement Date or during the term of this Lease, this Lease shall terminate as of the date of such taking. All awards, compensation, damages, income, rent and interest payable in connection with such taking shall, except as expressly set forth below, be paid to and become the property of Landlord, and Tenant hereby assigns to Landlord all of the foregoing. Tenant shall have the right to claim and receive directly from the entity exercising the power of eminent domain only the share of any award determined to be owing to Tenant for the taking of improvements installed in the portion of the Premises so taken by Tenant at Tenant's sole cost and expense based on the unamortized cost actually paid by Tenant for such improvements, for the taking of Tenant's movable furniture, equipment, trade fixtures and personal property, for loss of goodwill, for interference with or interruption of Tenant's business, or for removal and relocation expenses provided the foregoing does not diminish Landlord's award.

ARTICLE 13
Subordination and Sale

13.1 **Subordination.** This Lease shall be subject and subordinate at all times to the lien of all mortgages and deeds of trust securing any amount or amounts whatsoever which may now exist or hereafter be placed on or against the Property or on or against Landlord's interest or estate therein, all without the necessity of having further instruments executed by Tenant to effect such subordination and this subordination shall automatically arise and apply by operation of these provisions. Notwithstanding the foregoing, in the event of a foreclosure of any such mortgage or deed of trust or of any other action or proceeding for the enforcement thereof, or of any sale thereunder, this Lease shall not be terminated or extinguished, nor shall the rights and possession of Tenant hereunder be disturbed, if no Event of Default then exists under this Lease, and if Tenant shall attorn to the person who acquires Landlord's interest hereunder through any such mortgage or deed of trust. Tenant agrees to execute, acknowledge and deliver within twenty (20) days of receipt of a request from Landlord (i) such further instruments evidencing such subordination of this Lease to the lien of all such mortgages and deeds of trust as may reasonably be required by Landlord, and (ii) any commercially reasonable writing acknowledging and confirming Tenant's recognition of and attornment to any successor Landlord.

13.2 **Estoppel Certificate.** At any time and from time to time, Tenant shall, within twenty (20) days after written request by Landlord, execute, acknowledge and deliver to Landlord a certificate certifying: (a) that this Lease is unmodified and in full force and effect; (b) the Commencement Date and the Expiration Date determined in accordance with **Article 2** hereof and the date, if any, to which all rent and other sums payable hereunder have been paid; (c) that neither Landlord nor Tenant is in default under this Lease, except as to defaults specified in such certificate; and (d) such other matters as may be reasonably requested by Landlord or any actual or prospective purchaser or mortgage lender. Any such certificate may be relied upon by Landlord and any actual or prospective purchaser or mortgage lender of the Property or any part thereof. At any time and from time to time, Tenant shall, within twenty (20) days after written request by Landlord, deliver to Landlord copies of all current financial statements (including without limitation a balance sheet, an income statement, a cash flow statement and an accumulated retained earnings statement), annual reports, and other financial and operating information and data of Tenant prepared by Tenant in the course of Tenant's business. Unless available to the public, Landlord shall disclose such financial statements, annual reports and other information or data only to actual or prospective purchasers or mortgage lenders of the Property or any part thereof, and otherwise keep them confidential unless other disclosure is required by law.

ARTICLE 14 **Miscellaneous**

14.1 **Notices.** All requests, approvals, consents, notices and other communications given by Landlord or Tenant under this Lease shall be properly given only if made in writing and either deposited in the United States mail, postage prepaid, certified with return receipt requested, or delivered by hand (which may be through a messenger or recognized delivery, courier or air express service) and addressed to Landlord at the address of Landlord specified in the **Basic Lease Information** (or at such other place as Landlord may from time to time designate in a written notice to Tenant) or to Tenant at the address of Tenant specified in the **Basic Lease Information** (or at such other place as Tenant may from time to time designate in a written notice to Landlord). Such requests, approvals, consents, notices and other communications shall be effective on the date of receipt or refusal of receipt (evidenced by the certified mail receipt) if mailed or on the date of hand delivery if hand delivered. Any request, approval, consent, notice or other communication under this Lease may be given on behalf of a party by the attorney for such party. FedEx or similar nationally recognized commercially reasonable overnight carrier or delivery service providing receipted evidence of delivery shall be deemed proper delivery of notice hereunder upon the date of delivery as though and treated the same as hand delivery.

14.2 **General.** Time is of the essence of this Lease and each and all of its provisions. This Lease shall benefit and bind Landlord and Tenant and the permitted personal representatives, heirs, successors and assigns of Landlord and Tenant. If any provision of this Lease is determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. Tenant shall not record this Lease or any memorandum or short form of it. This Lease shall be governed by and construed in accordance with the laws of the state in which the Property is located, being the State of Florida. All capitalized terms used but not defined in the body of the Lease shall have the same meaning given to such term in the **Basic Lease Information**.

14.3 **No Waiver.** The waiver by Landlord or Tenant of any breach of any covenant in this Lease shall not be deemed to be a waiver of any subsequent breach of the same or any other covenant in this Lease, nor shall any custom or practice which may grow up between Landlord and Tenant in the administration of this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Landlord or Tenant in strict accordance with this Lease. The subsequent acceptance of rent hereunder by Landlord or the payment of rent by Tenant shall not waive any preceding breach by Tenant of any covenant in this Lease, nor cure any Event of Default, nor waive any forfeiture of this Lease or unlawful detainer action, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's or Tenant's knowledge of such preceding breach at the time of acceptance or payment of such rent.

14.4 **Attorneys' Fees.** If there is any legal action or proceeding between Landlord and Tenant to enforce this Lease or to protect or establish any right or remedy under this Lease, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including without limitation reasonable attorneys' fees and disbursements, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith, through and including without limitation any bankruptcy proceedings, and expressly excluding any such amounts incurred pre-suit (prior to filing of litigation, subject to Landlord's pre-suit recovery rights for breach, violation or default of Tenant as set out above in this Lease). If such prevailing party recovers a judgment in any such action, proceeding or appeal, all such costs, expenses and attorneys' fees and disbursements shall be included in and as a part of such judgment.

14.5 **Exhibits. Exhibit A** (Plan(s) Outlining the Premises and the Property), **Exhibit B** (Form of Memorandum Confirming Term), **Exhibit C** (Permitted Use of Hazardous Materials) and any other attachments specified in the **Basic Lease Information**, are attached to and made a part of this Lease and deemed incorporated herein as though fully set forth here.

14.6 **Broker(s).** Tenant warrants and represents to Landlord that Tenant has negotiated this Lease directly with the real estate broker(s) specified in the **Basic Lease Information** (if any) and has not authorized or employed, or acted by implication to authorize or to employ, any other real estate broker to act for Tenant in connection with this Lease.

14.7 **Waivers of Jury Trial and Certain Damages.** LANDLORD AND TENANT EACH HEREBY EXPRESSLY, IRREVOCABLY, FULLY AND FOREVER RELEASES, WAIVES AND RELINQUISHES ANY AND ALL RIGHT TO TRIAL BY JURY. TENANT HEREBY EXPRESSLY, IRREVOCABLY, FULLY AND FOREVER RELEASES, WAIVES AND RELINQUISHES ANY AND ALL RIGHT ANY AND ALL RIGHT TO RECEIVE PUNITIVE, INCIDENTAL, CONSEQUENTIAL, SPECIAL, STATUTORY, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF FUTURE REVENUE OR INCOME, LOSS OF BUSINESS REPUTATION OR OPPORTUNITY RELATING TO THE BREACH OR ALLEGED BREACH OF THIS LEASE, OR DIMINUTION OF VALUE OR ANY DAMAGES BASED ON ANY TYPE OF MULTIPLE, IN EACH CASE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT LANDLORD OR ITS AFFILIATES (OR ANY PAST, PRESENT OR FUTURE BOARD MEMBER, TRUSTEE, DIRECTOR, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, OR ADVISOR OF LANDLORD OR ITS AFFILIATES) HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE, FROM THE LANDLORD OR ITS AFFILIATES (OR ANY PAST, PRESENT OR FUTURE BOARD MEMBER, TRUSTEE, DIRECTOR, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, OR ADVISOR OF LANDLORD OR ITS AFFILIATES) IN ANY CLAIM, DEMAND, ACTION, SUIT, PROCEEDING OR CAUSE OF ACTION IN WHICH LANDLORD AND TENANT ARE PARTIES, WHICH IN ANY WAY (DIRECTLY OR INDIRECTLY) ARISES OUT OF, RESULTS FROM OR RELATES TO ANY OF THE FOLLOWING, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER BASED ON CONTRACT OR TORT OR ANY OTHER LEGAL BASIS: THIS LEASE; ANY PAST, PRESENT OR FUTURE ACT, OMISSION, CONDUCT OR ACTIVITY WITH RESPECT TO THIS LEASE; ANY TRANSACTION, EVENT OR OCCURRENCE CONTEMPLATED BY THIS LEASE; THE PERFORMANCE OF ANY OBLIGATION OR THE EXERCISE OF ANY RIGHT UNDER THIS LEASE; OR THE ENFORCEMENT OF THIS LEASE. LANDLORD AND TENANT RESERVE THE RIGHT TO RECOVER ACTUAL OR COMPENSATORY DAMAGES, WITH INTEREST, ATTORNEYS' FEES, COSTS AND EXPENSES AS PROVIDED IN THIS LEASE, FOR ANY BREACH OF THIS LEASE.

14.8 **Force Majeure.** Each party shall be excused for the period or periods of delay in the performance of any of its obligations hereunder (except the payment of money) when delayed, hindered or prevented from so doing by any cause or causes beyond such party's reasonable control, which shall include without limitation all labor disputes, riots, civil commotion or insurrection, war or warlike operations, invasion, rebellion, military or usurped power, sabotage, acts of terrorism, governmental restrictions, regulations or controls, inability to obtain any materials, or services, fire or other casualties, acts of God or other matters constituting impossibility of performance under applicable law; provided a party's inability to secure financing or otherwise meet its monetary obligations such as paying rent or any other lack of funds or cash flow for any reason shall never in and of itself give rise to any excused periods of time by operation of this **Section 14.8.**

14.9 **Interpretation.** For purposes of this Lease: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Lease as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Lease; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Lease shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

14.10 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Lease delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Lease so long as an original-ink (or so-called "wet-ink") signed physical counterpart is also physically delivered to the other party. Either party may copy this completed Lease for electronic storage in a non-editable format, at which time the paper form of this Lease may be destroyed by such party if it wishes, relying upon such rules as "best evidence" to put forth the electronic copy for purposes of proof and evidence. Each party agrees that following the electronic storage of this Lease, any hardcopy printout of that electronically stored information will also constitute an original of this Lease.

14.11 **Entire Agreement.** There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, offers, agreements and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease, the Premises or the Property. There are no commitments, representations or assurances between Landlord and Tenant or between any real estate broker and Tenant other than those expressly set forth in this Lease and all reliance with respect to any commitments, representations or assurances is solely upon commitments, representations and assurances expressly set forth in this Lease. This Lease may not be amended or modified in any respect whatsoever except by an agreement in writing signed by Landlord and Tenant.

14.12 **Guaranty.** The payment obligations under this Lease are guaranteed by the Guarantors identified in the Lease Guaranty Agreement at **Exhibit D** on the terms and conditions set forth in the Lease Guaranty Agreement.

[Signatures on Following Page]

Signature page to that certain Lease by and between Palm Coast Data LLC, a Florida limited liability company, as Tenant, and Two Commerce LLC, a Florida limited liability company, as Landlord, respecting 2 Commerce Boulevard, Palm Coast, Florida 32164

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date specified in the **Basic Lease Information**.

TENANT:

Palm Coast Data LLC, a
Florida limited liability company

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

WITNESSES:

/s/ Kristine Lynch

First Witness for Tenant
[Sign above; print name: Kristine Lynch

/s/ Eric Brody

Second Witness for Tenant
[Sign above; print name: Eric Brody

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LANDLORD:

Two Commerce LLC, a
Florida limited liability company

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President

WITNESSES:

/s/ James M. McMonagle

First Witness for Landlord
[Sign above; print name: James M. McMonagle

/s/ Adrienne Uleau

Second Witness for Landlord
[Sign above; print name: Adrienne Uleau

EXHIBIT A

PLAN(S) OUTLINING THE PREMISES AND THE PROPERTY

ATTACHED AND MADE A PART HEREOF

The following is deemed incorporated onto the site plan or other sketch, image, LOD or drawing here pictured or pictured on any other attachment to this Lease: This Exhibit or Schedule is diagrammatic and is intended only for the purpose of indicating the approximate location of constructed areas comprising the property and/or approximate boundaries of areas and placement of certain inclusions therein. It does not in any way supersede any of Landlord's rights set forth in the Lease, including without limitation in respect of arrangements and/or locations of shared-use parts of the common areas and changes in such arrangements and/or locations, including without limitation parking areas; and Landlord expressly reserves the right to make changes therein or thereto in accordance with the Lease. It is not to be scaled; any measurements or distances shown or parking counts should be taken as approximate. Dimensions indicated (if any) are not exact nor to scale and in any case are approximate. It does not purport to show the exact or final location of columns, division walls or other required architectural, structural, mechanical or electrical elements.

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Exhibit A

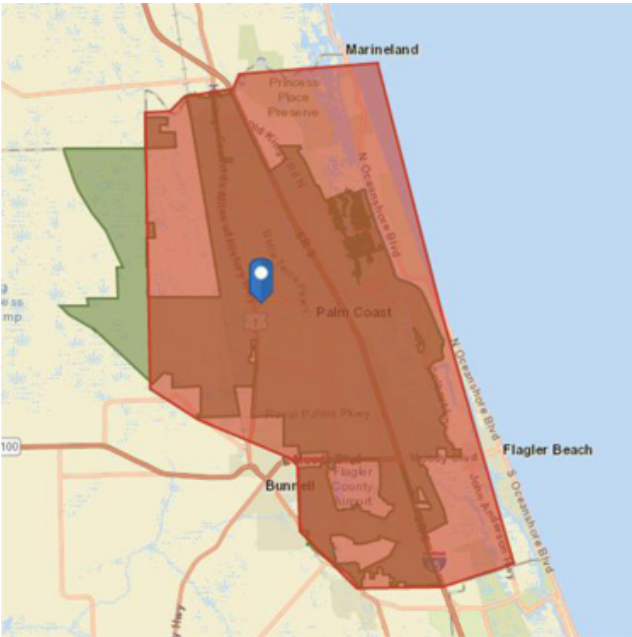


Exhibit A

EXHIBIT B

MEMORANDUM CONFIRMING TERM

THIS MEMORANDUM, made as of April 26, 2019 ("Effective Date"), is by and between Palm Coast Data LLC, a Florida limited liability company ("**Tenant**"), and Two Commerce LLC, a Florida limited liability company ("**Landlord**").

WITNESSETH:

Recital of Facts:

Landlord and Tenant entered into that certain Lease (the "**Lease**") dated on the Effective Date above. Words defined in the Lease have the same meanings in this Memorandum.

NOW, THEREFORE, in consideration of the covenants in the Lease, Landlord and Tenant agree as follows:

1. Landlord and Tenant hereby confirm that:

(a) The Commencement Date under the Lease is the Effective Date, and the Expiration Date under the Lease is April 26, 2019 (as the Commencement Date) and April 30, 2029 (as the natural Expiration Date of the initial Term of the Lease); and

(b) The date on which Landlord delivered possession of the Premises to Tenant as required by the Lease, and Tenant's obligation to pay rent begins under the Lease is the same date as the Commencement Date.

2. Tenant hereby confirms that:

(a) All commitments, representations and assurances made to induce Tenant to enter into the Lease have been fully satisfied; and

(b) All improvements to the Property and in the Premises to be constructed or installed by Landlord have been completed and furnished in accordance with the Lease to the satisfaction of Tenant and Tenant has accepted and is in full and complete possession of the Premises.

Continues on the following page; balance of this page purposefully blank.

Exhibit B

3. This Memorandum shall be binding upon and inure to the benefit of Landlord and Tenant and their permitted successors and assigns under the Lease. The Lease is in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date first hereinabove written.

TENANT:

Palm Coast Data LLC, a
Florida limited liability company

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

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LANDLORD:

Two Commerce LLC, a
Florida limited liability company

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President

Exhibit B

EXHIBIT C

PERMITTED USE OF HAZARDOUS MATERIALS

Name of Hazardous Material

None

Maximum Amount Per Year

None

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Exhibit C

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Exhibit C

EXHIBIT D

LEASE GUARANTY AGREEMENT

This LEASE GUARANTY AGREEMENT (this “**Agreement**”), dated as of April 26, 2019, is entered into by Studio Membership Services, LLC, a Delaware limited liability company (“**Buyer**”), Media Data Resources, LLC, a Delaware limited liability company and a wholly owned subsidiary of PCDH (“**Media Data**”), and FulCircle Media, LLC, a Delaware limited liability company and a wholly owned subsidiary of PCDLLC (“**FulCircle**” and, collectively with Buyer, PCDH and Media Data, the “**Guarantors**” and each, a “**Guarantor**”), for the benefit of Two Commerce LLC (“**Landlord**”), a Florida limited liability company and an affiliate of Palm Coast Data Holdco, Inc., a Delaware corporation (“**PCDH**”), and is agreed to and acknowledged by Landlord and Palm Coast Data LLC, a Delaware limited liability company (“**PCDLLC**”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement (as defined below) if defined therein.

RECITALS:

WHEREAS, concurrently with the execution of this Agreement, PCDH and Buyer are entering into that certain Membership Interest Purchase Agreement, dated as of the Effective Date, by and between PCDH and Buyer (the “**Purchase Agreement**”), pursuant to which, among other things, PCDH has agreed to sell to Buyer, and Buyer has agreed to purchase from PCDH, all of the membership interests of PCDLLC and Media Data;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Landlord and PCDLLC are entering into the Industrial Lease (WH/OFC) (Triple Net), of even date herewith, by and between PCDLLC, as tenant, and Landlord, as landlord (the “**Lease Agreement**”); and

WHEREAS, as a material part of and as a condition to Landlord entering into the Lease Agreement, the Guarantors are executing and delivering this Agreement, which shall be attached as Exhibit D to the Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors, intending to be legally bound, agree as follows:

1. **Definitions.** The following terms have the meanings specified in this Section 1:

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Bankruptcy Event**” means the occurrence of any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship or similar proceeding.

“**Obligations**” means any and all agreements, covenants, Indebtedness, liabilities and obligations of every kind and description of PCDLLC to Landlord under the Lease Agreement, whether such agreements, covenants, Indebtedness, liabilities and obligations are primary or secondary, direct or indirect, absolute or contingent, sole, joint or several, secured or unsecured, due or to become due, contractual or tortious, arising by operation of law, by overdraft or otherwise, or now or hereafter existing, including advances, principal, interest, fees, late fees, expenses, attorneys’ fees and costs or allocated fees and costs of Landlord’s or its Affiliates’ in-house legal counsel, that have been or may hereafter arise or be incurred.

2. **Guaranty of Obligations.** Each Guarantor hereby irrevocably, absolutely and unconditionally guarantees, jointly and severally, the full and prompt payment and performance when due of the Obligations.

3. **General Conditions.**

(a) This Agreement shall remain in full force and effect until all of the Obligations are indefeasibly paid in full and satisfied.

(b) This Agreement and the guaranty set forth herein shall continue to be effective or be reinstated, as the case may be, if at any time payment of any Obligations made by PCDLLC or any Guarantor to Landlord is rescinded, avoided, clawed back or rendered void as a preferential transfer, impermissible set-off, a fraudulent conveyance or must otherwise be returned (including upon the occurrence of a Bankruptcy Event affecting PCDLLC or any Guarantor), all as though such payment had not been made.

(c) This Agreement shall be a continuing and irrevocable guaranty, shall be a guaranty of performance and not of collection, and the liability of the Guarantors hereunder shall remain in full force and effect and shall in no way be affected, modified, or diminished by reason of (i) any modification or waiver of, or change in, any of the terms or conditions of the Lease Agreement; (ii) any Bankruptcy Event affecting PCDLLC or any Guarantor, whether or not notice thereof is given to the Guarantors; or (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any one or more of the Guarantors hereunder. For the avoidance of doubt, nothing contained herein shall be deemed to limit the rights of, or defenses available to, Landlord under the Lease Agreement.

(d) The Guarantors hereby unconditionally waive promptness, diligence, notice of acceptance of this Agreement and any other notice with respect to this Agreement.

(e) The Guarantors agree to immediately pay Landlord on demand all fees and costs, including attorneys' fees, incurred by or on behalf of Landlord in enforcing the obligations of the Guarantors under this Agreement.

(f) The rights of Landlord under this Agreement are not conditional or contingent upon any requirement of, or attempt by, Landlord to exercise any of its rights under the Lease Agreement against PCDLLC or otherwise.

(g) Each Guarantor irrevocably waives any present or future right to which a Guarantor is or becomes entitled to be subrogated to Landlord's rights against a primary obligor or to seek contribution, reimbursement, indemnification, subrogation or the like from a primary obligor on account of this Agreement, or to assert any other claim or right of action against a primary obligor on account of, or arising under, or relating to this Agreement.

4. **Priority and Subordination.** Each Guarantor agrees that the Obligations of PCDLLC, and the guaranty obligations of each Guarantor hereunder, to Landlord, whether now existing or hereafter created, shall be superior to any claim that any Guarantor may now have or hereafter acquire against any other Guarantor, whether or not such other Guarantor becomes insolvent. Each Guarantor with a claim against another Guarantor at any time (the Guarantor with such a claim, a “**Creditor Guarantor**,” and the Guarantor owing obligations to such Creditor Guarantor, a “**Debtor Guarantor**”) hereby expressly subordinates each and every claim it may have against any Debtor Guarantor, upon any account whatsoever, to any claim that Landlord may now or hereafter have against such Debtor Guarantor. In the event of insolvency and consequent liquidation of the assets of a Debtor Guarantor, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of the Debtor Guarantor applicable to the payment of claims of both Landlord and one or more Creditor Guarantors shall be paid to Landlord first until all of the Obligations are indefeasibly satisfied. Each Guarantor does hereby assign to Landlord all claims which it may have or acquire against another Guarantor or against any assignee or trustee of a Guarantor in the bankruptcy of a Guarantor; provided, however, that such assignment shall be effective only for the purpose of assuring to Landlord full payment in legal tender of the Obligations. If Landlord so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations between Guarantors shall be marked with a legend that the same are subject to this Agreement and a copy shall be delivered to Landlord.

5. **No Impairment.** No Guarantor’s obligations to make payment in accordance with the terms of this Agreement shall be impaired, modified, changed, released or limited in any manner whatsoever by: (a) any impairment, modification, change, release or limitation of the Obligations or any primary obligor’s estate in bankruptcy or reorganization resulting from the operation of any present or future provision of the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.*, or other statute or from the decision of any court; (b) any insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding relating to a primary obligor’s or another Guarantor’s properties or creditors; (c) any presently existing or hereinafter enacted or made Law, ordinance, regulation, judicial decision or administrative decision of any type or nature, including any Law, ordinance, regulation, judicial decision or administrative decision which or otherwise impairs PCDLLC’s ability to perform its Obligations pursuant to the Lease Agreement, or any other Guarantor or obligor’s ability to perform hereunder; (d) the fact that any of the Obligations may become due or payable in or, in connection with, or by reason of, any agreement or transaction which may be invalid, irregular or unenforceable for any reason, or if a primary obligor or other Guarantor is a partnership, by the addition, withdrawal or death of any partner or any other change therein; or (e) by reason of any action whatsoever taken by Landlord (including a sale, lease, disposition, liquidation or other realization), which may be negligent, willful or otherwise in respect to any security in which Landlord may at any time have any interest or against any other party liable for all or any part of the Obligations as a primary obligor or as a guarantor.

6. **Representations and Warranties.** Each Guarantor, jointly and severally, hereby represents and warrants to Landlord, which representations and warranties shall survive the execution and delivery of this Agreement, that:

(a) Each Guarantor is a corporation or limited liability company, duly incorporated or organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite organizational power and authority to own and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing in each jurisdiction where the ownership or operation of its properties or conduct of its business requires such qualification, except where the failure to be so qualified or in good standing, when taken together with all other such failures, will not prevent, materially delay or materially impair such Guarantor’s ability to consummate the transactions contemplated by this Agreement.

(b) Each Guarantor has all requisite organizational power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by each Guarantor and the consummation by each such Guarantor of this Agreement, have been duly and validly authorized and approved by such Guarantor's member, managers or board of directors and no other action on the part of such Guarantor (or its stockholders or members) are necessary with respect to any such matter. This Agreement has been duly executed and delivered by each Guarantor and constitutes the valid, binding and enforceable obligations of each Guarantor, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally and general principles of equity.

(c) This Agreement has been duly authorized, executed and delivered by each Guarantor and such execution and delivery and the performance by such Guarantor of its obligations hereunder will not violate, in any material respects, any applicable provision of Law or judgment, order or regulation of any court or of any public or Governmental Authority or conflict with or constitute a breach of or a default under the organizational documents of such Guarantor or any agreement or instrument to which such Guarantor is a party or by such Guarantor or any of its property is bound.

7. **Miscellaneous.**

- (a) No Representations of Landlord. NONE OF PCDH, LANDLORD OR ANY AFFILIATE OF THE FOREGOING OR ANY PERSON ON THEIR RESPECTIVE BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. EACH GUARANTOR ACKNOWLEDGES THAT, IN ENTERING INTO THIS AGREEMENT, IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY PCDH, LANDLORD OR ANY AFFILIATE OF THE FOREGOING OR ANY PERSON ON THEIR RESPECTIVE BEHALF.
- (b) Expenses. Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.
- (c) Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a .PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7(c)):

If to Landlord:	c/o AMREP Corporation. 620 West Germantown Pike, Suite 175 Plymouth Meeting, PA 19462 E-mail: cvitale@amrepcorp.com Attention: President
with a required copy to (which shall not constitute notice):	AMREP Corporation 620 West Germantown Pike, Suite 175 Plymouth Meeting, PA 19462 E-mail: jmcmonagle@amrepcorp.com Attention: Chief Financial Officer
with a required copy to (which shall not constitute notice):	Duane Morris LLP 222 Delaware Avenue, Suite 1600 Wilmington, Delaware 19801-1659 Facsimile: (302) 397-2455 E-mail: CMWinter@duanemorris.com Attention: Christopher M. Winter
If to any Guarantor:	Studio Membership Services, LLC 347 West 36 th Street, Unit 1300 New York, New York 10018 E-mail: liam@studio.vc Attention: Liam Lynch
with a required copy to (which shall not constitute notice):	Husch Blackwell LLP 555 East Wells Street, Suite 1900 Milwaukee, Wisconsin 53202-3819 Facsimile: (414) 223-5000 E-mail: philip.koutnik@huschblackwell.com Attention: Phil Koutnik

- (d) Interpretation. For purposes of this Agreement: (i) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (ii) the word “or” is not exclusive; and (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Sections mean the Sections of this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.
- (e) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
- (f) Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

- (g) Entire Agreement. This Agreement constitutes the sole and entire agreement of the Guarantors with respect to the subject matter contained herein, and supersedes all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter.
- (h) Successors and Assigns. This Agreement shall be binding upon each Guarantor and their respective successors and permitted assigns. No Guarantor may assign its rights or obligations hereunder without the prior written consent of Landlord. No assignment shall relieve the assigning Guarantor of any of its obligations hereunder.
- (i) No Third Party Beneficiaries. This Agreement is for the sole benefit of Landlord and its successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- (j) Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Guarantor and Landlord. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- (k) Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(i) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

(ii) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF NEW YORK IN EACH CASE LOCATED IN THE CITY OF NEW YORK IN THE BOROUGH OF MANHATTAN, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(iii) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

- (l) Specific Performance. Each Guarantor agrees that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that Landlord shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.
- (m) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Any party may copy this completed Agreement for electronic storage in a non-editable format, at which time the paper form of this Agreement may be destroyed. Each party agrees that following the electronic storage of this Agreement, any hardcopy printout of that electronically stored information will constitute an original of this Agreement.

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IN WITNESS WHEREOF, the parties have caused this Lease Guaranty Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

GUARANTORS:

Studio Membership Services, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

Media Data Resources, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

FulCircle Media, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

Acknowledged and Agreed by:

LANDLORD:

Two Commerce LLC

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President

PCDLLC:

Palm Coast Data LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

Exhibit D

INDUSTRIAL LEASE (WH/OFC)
(TRIPLE NET)

11 COMMERCE BOULEVARD, PALM COAST, FLORIDA

Basic Lease Information

Date: April 26, 2019 ("Effective Date")

Tenant: Palm Coast Data LLC, a Florida limited liability company

Landlord: Commerce Blvd Holdings LLC, a Florida limited liability company

Premises (**Section 1.1**): All space(s) in the building outlined in **Exhibit A**, containing approximately 143,151 square feet (more or less) of building area, the street address of which is known as 11 Commerce Boulevard, Palm Coast, Florida 32164

Property (**Section 1.1**): The land and the building(s) outlined in **Exhibit A**, containing approximately 17.44 acres (more or less) of total area, located at 11 Commerce Boulevard, Palm Coast, Florida 32164

Term (**Section 2.1**): Ten (10) years

Commencement Date (**Section 2.1**): Effective Date of this Lease.

Expiration Date (**Section 2.1**): The date that is ten (10) years after the Commencement Date; provided that if the Expiration Date would fall on a date that is not the last day of a month, then the Expiration Date shall be automatically extended to the last day of the month.

Base Rent (**Section 3.1(a)**):

Period*	Annual Base Rent, \$s per annum	Monthly Base Rent, \$'s per month
1	\$ 1,330,000.00	\$ 110,833.33**
2	\$ 1,359,050.00	\$ 113,254.17**
3	\$ 1,389,729.60	\$ 115,810.80
4	\$ 1,429,094.80	\$ 119,091.23**
5	\$ 1,473,705.80	\$ 122,808.82**
6	\$ 1,527,122.80	\$ 127,260.23**
7	\$ 1,582,409.50	\$ 131,867.46**
8	\$ 1,639,631.70	\$ 136,635.98**
9	\$ 1,698,855.90	\$ 141,571.33**
10	\$ 1,760,153.50	\$ 146,679.46**

* "Period" shall refer to the following periods of time: As to the first (1st) Period, the time from the Commencement Date through the date which is the last day of the month during which falls the date which is one (1) year thereafter; and each successive Period shall refer to each consecutive full twelve (12) month period next succeeding the immediately preceding Period). All rent under this Lease shall be due together with (that is, plus) all taxes due thereon, including without limitation the State of Florida sales tax on rents (see Section 3.5 below). All monthly installment amounts shall be prorated for any partial month at the rate of 1/365th of the annualized amount thereof for each day of the partial month.

**When multiplied by 12, this monthly value will not precisely equal the annualized amount noted in the adjacent column; the annualized amount is deemed correct as the actual amount due provided, timely payment of each monthly installment shall be deemed correct payment on an annualized basis with any discrepancies in pennies ignored by the parties.

Tenant's Percentage Share (**Section 3.1(b)**): 100%

Initial Additional Monthly Rent Estimate (dollars per month) (**Section 3.2**): Initially, \$0 but subject to the following*

*The parties acknowledge that so long as the Lease remains as originally written, the obligations of performance concerning repair, maintenance, replacement, insurance and real estate taxes of all aspects of the entirety of the Premises and the Property including without limitation its common areas (thus including without limitation all constructed improvements thereon), as more particularly specified herein (the "Total Asset Obligations") will be and remain the sole obligations and liabilities of the Tenant; and so long as Tenant honors those obligations and is timely incurring and paying those amounts to perform all of its Total Asset Obligations, then, this Lease will not give rise to any further items of additional rent other than as may be expressly provided in this Lease (such as for insurance premiums for Landlord's insurance); provided: (x) as a cumulative remedy, should Tenant fail to honor any of those obligations and should Landlord elect to do so on Tenant's behalf, with no obligation to do so but with every right to do so, and in addition to all rights and remedies for default, Landlord may elect to perform any of those Total Asset Obligations on Tenant's behalf and the express right to do so is hereby granted to Landlord; and, in such case all such costs and amounts for any of such Total Asset Obligations so performed by Landlord may be charged to Tenant through the vehicle specified in this Lease concerning the "Triple Net Charges" as defined below or as Landlord may elect shall be due immediately as an item of additional rent upon invoice therefor.

Security Deposit (**Section 3.3**): \$0.00

Rent Payment Address (**Section 3.1(c)**): 620 West Germantown Pike, Suite 175, Plymouth Meeting, PA 19462; provided, however, as specified below, pending further written notice of Landlord's election to permit or require otherwise, all payments shall be made to Landlord through wire transfer

Permitted Use of the Premises (**Section 4.1**): General warehouse, light-industrial, office, and related uses in connection with the operation of Tenant's business at and from the Premises subject to Tenant's compliance with all applicable law, and subject to any restrictions, limitations or other matters of Public Record and subject to the terms of this Lease.

Landlord's Address (**Section 14.1**): 620 West Germantown Pike, Suite 175, Plymouth Meeting, PA 19462

Tenant's Address (**Section 14.1**): 11 Commerce Boulevard, Palm Coast, Florida 32164

Real Estate Broker(s) (**Section 14.6**): None.

Exhibit A - Plan(s) Outlining the Premises and the Property
Exhibit B - Form of Memorandum Confirming Term
Exhibit C - Permitted Use of Hazardous Materials

Exhibit D - Lease Guaranty Agreement

Other Attachments (if any): None.

The foregoing **Basic Lease Information** is incorporated in and made a part of the balance of the **Lease** to which it is attached and collectively all of the same constitutes the **Lease**.

Balance of the **Lease** commences after the following Table of Contents.

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TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 Premises	1
1.1 Lease of Premises	1
ARTICLE 2 Term	1
2.1 Term of Lease	1
2.2 Adjustment of Expiration Date	1
2.3 Holding Over	2
ARTICLE 3 Rent	2
3.1 Base Rent and Additional Rent	2
3.2 Procedures	3
3.3 Reserved	4
3.4 Late Payment	4
3.5 Other Taxes Payable by Tenant	4
3.6 Certain Definitions	4
3.7 No Accord and Satisfaction	5
ARTICLE 4 Use of the Premises	6
4.1 Permitted Use	6
4.2 Environmental Definitions	6
4.3 Environmental Requirements	6
4.4 Compliance With Law	7
4.5 Radon	7
4.6 Entry by Landlord	7
ARTICLE 5 Utilities and Services	8
5.1 Tenant's Responsibilities	8
ARTICLE 6 Maintenance and Repairs	8
6.1 Landlord	8
6.2 Obligations of Tenant	8
ARTICLE 7 Alteration of the Premises	9
7.1 No Alterations by Tenant	9
7.2 Landlord's Property	9
7.3 No Liens	9
ARTICLE 8 Indemnification and Insurance	10
8.1 Damage or Injury	10
8.2 Insurance	10
8.3 Waiver of Subrogation	11
8.4 Landlord Insurance Requirements	11

ARTICLE 9 Assignment or Sublease	12
9.1 Prohibition	12
ARTICLE 10 Events of Default and Remedies	12
10.1 Default by Tenant	12
10.2 Terminations	14
10.3 Tenant’s Primary Duty	14
10.4 Abandoned Property	14
10.5 Landlord Default	15
10.6 Early Termination Options	15
ARTICLE 11 Casualty	17
11.1 Casualty	17
ARTICLE 12 Eminent Domain	18
12.1 Condemnation	18
ARTICLE 13 Subordination and Sale	19
13.1 Subordination	19
13.2 Estoppel Certificate	19
ARTICLE 14 Miscellaneous	19
14.1 Notices	19
14.2 General	20
14.3 No Waiver	20
14.4 Attorneys’ Fees	20
14.5 Exhibits	20
14.6 Broker(s)	20
14.7 Waivers of Jury Trial and Certain Damages	21
14.8 Force Majeure	21
14.9 Interpretation	21
14.10 Counterparts	21
14.11 Entire Agreement	22
14.12 Guaranty	22

EXHIBITS:

EXHIBIT A - PLAN(S) OUTLINING THE PREMISES AND THE PROPERTY

EXHIBIT B - MEMORANDUM CONFIRMING TERM

EXHIBIT C - PERMITTED USE OF HAZARDOUS MATERIALS

EXHIBIT D - LEASE GUARANTY AGREEMENT

LEASE

THIS LEASE, made as of the date specified in the **Basic Lease Information**, is by and between Landlord and Tenant.

WITNESSETH:

ARTICLE 1 Premises

1.1 **Lease of Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises located on the Property, all as approximately shown or outlined on **Exhibit A**, attached. The Property is comprised of the land and the building(s) in which the Premises is located. During the term of this Lease, in addition to the Premises, Tenant shall have the right to use only for their intended purposes the common areas in the Property that are designated by Landlord as common areas, initially meaning all parts and portions of the Property other than the Premises. Landlord shall have the right from time to time at Landlord's sole cost and expense and following prior written notice to Tenant to change the size, location, configuration, character or use of any such common areas, construct additional improvements or facilities in any such common areas, or close any such common areas so long as such changes result in no material adverse interference of Tenant's ongoing use and operation as permitted in this Lease.

ARTICLE 2 Term

2.1 **Term of Lease.** The term of this Lease shall be the term specified in the **Basic Lease Information**, which shall commence on the Commencement Date and, unless sooner terminated by law or as hereinafter provided, shall end on the Expiration Date. If Landlord, for any reason whatsoever, does not deliver possession of the Premises to Tenant on the Commencement Date, this Lease shall not be void or voidable and Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, but, in such event, the Commencement Date shall be postponed until the date on which Landlord delivers possession of the Premises to Tenant. Landlord shall have no obligation to construct or install any improvements in the Premises or the Property and Tenant shall accept the Premises "as is" on the Commencement Date. Landlord and Tenant expressly agree that there are and shall be no implied warranties of merchantability, habitability, fitness, for a particular purpose or of any other kind arising out of this Lease and there are no warranties which extend beyond those expressly set forth in this Lease. As an express condition to Landlord's willingness to enter into this Lease and without satisfaction of which Landlord would not have proceeded to execute this Lease, Tenant expressly confirms and acknowledges its Total Asset Obligations and will honor, abide by and comply with such Total Asset Obligations at all times.

2.2 **Adjustment of Expiration Date.** If the Commencement Date as determined in accordance with **Section 2.1** hereof is not the first day of a calendar month, then a period of time equal to the number of days between the Commencement Date and the first day of the month next following shall be added to the term and the Expiration Date shall be extended accordingly (so that it concludes on the last day of a month and thereafter includes annual periods of twelve (12) full consecutive months each) (and rents shall prorate for any partial month as provided above). For example, if the Commencement Date is April 20, 2019, then the Expiration Date shall be April 30, 2029 and the amount of Base Rent specified in the **Basic Lease Information** applicable to year 1 shall be paid from April 20, 2019 through April 30, 2020. Landlord and Tenant each shall, promptly after the actual Commencement Date has been determined, execute and deliver to the other a Memorandum Confirming Term in the form of **Exhibit B** attached hereto, but the term of this Lease shall commence and end in accordance with this Lease whether or not the Memorandum Confirming Term is executed.

2.3 **Holding Over.** If, with written consent by Landlord, Tenant holds possession of the Premises after expiration of the term of this Lease, Tenant shall become a tenant from month to month under this Lease, but the Base Rent during such month to month tenancy shall be equal to one hundred twenty five percent (125%) of the Base Rent in effect at the expiration of the term of this Lease. Landlord and Tenant each shall have the right to terminate such month to month tenancy by giving at least thirty (30) days' written notice of termination to the other at any time, in which event such tenancy shall terminate on the termination date set forth in such termination notice. If, without written consent by Landlord, Tenant holds possession of the Premises after expiration of the term of this Lease, then such continued occupancy shall be deemed an unconsented to holdover tenancy and a tenancy at sufferance for which Landlord shall have all rights and remedies at law and in equity; and as a cumulative remedy and not as a definitive measure of Landlord's damages, Tenant shall be liable for an amount equal to one hundred fifty percent (150%) of the Base Rent in effect during the final month of the now expired term, such liability accruing for each day of such holding over until exclusive possession is restored to Landlord with the Premises in the condition to which they were required to have been kept and maintained and in the condition for surrender of possession as required by this Lease.

ARTICLE 3 **Rent**

3.1 **Base Rent and Additional Rent.** Tenant shall pay to Landlord the following amounts as rent for the Premises:

(a) During the term of this Lease, Tenant shall pay to Landlord, as base rent, the amount of Base Rent specified in the **Basic Lease Information**.

(b) During each calendar year (or part thereof) during the term of this Lease, if ever applicable as provided above concerning Tenant's Total Asset Obligations, Tenant shall pay to Landlord, as additional monthly rent, Tenant's Percentage Share of all (x) CAM Expenses paid or incurred by Landlord in such year; (y) Property Taxes paid or incurred by Landlord in such year; and (z) Insurance Costs paid or incurred by Landlord in such year. The charges for the foregoing CAM Expenses, Property Taxes and Insurance Costs are also herein collectively sometimes referred to as the "NNN Charges" or the "Triple Net Charges". Notwithstanding the foregoing, so long as this Lease remains as initially structured so that Tenant retains its Total Asset Obligations, then there shall be no charges passed through to Tenant under parts (x), (y) and (z) immediately above for such NNN Charges (subject to any Landlord's insurance premium and cost charges separately invoiced to Tenant as provided below); and Tenant shall directly, timely and properly undertake and effectuate all obligations of payment and performance for all aspects of the Total Asset Obligations. Tenant will periodically (as reasonably determined by Landlord) deliver to Landlord copies of reasonable evidence of its timely and proper direct payment of the foregoing costs and charges to the appropriate party in each case; thus including without limitation the direct payment to the taxing authority of all Property Taxes, direct payment to all insurance companies of all premiums and costs for all Insurance Costs, and direct contracting and payment for all services and maintenance and repairs and replacements in and to the Premises and common areas, including without limitation to and for the building in which the Premises are situated (and its roof and all of its electrical, mechanical and plumbing systems), the structure and foundation and slabs and exterior walls thereof; exterior surfaces, windows, and window cleaning, maintenance, repair and painting; and common areas parking lot and grounds-keeping including without limitation landscaping maintenance, upkeep and replacements.

(c) Throughout the term of this Lease, if ever applicable, Tenant shall pay, as additional rent, all other amounts of money and charges required to be paid by Tenant under this Lease. As used in this Lease, “**rent**” shall mean and include all Base Rent, additional monthly rent and additional rent payable (as applicable) by Tenant in accordance with this Lease. Tenant shall pay without notice, demand, deduction or offset all Base Rent and (if applicable) additional monthly rent under **Section 3.1** hereof to Landlord, in advance, on or before the first day of each calendar month during the term of this Lease, at the address for the payment of rent specified in the **Basic Lease Information**, or to such other person or at such other place as Landlord may from time to time designate in writing. Time shall be strictly of the essence in respect of all payments due Landlord. All payments to Landlord made under this Lease, including without limitation for all rent, shall be made by wire transfer in such commercially reasonable manner and per such commercially reasonable requirements to accomplish same as Landlord may from time to time require.

3.2 **Procedures.** If ever applicable: Landlord’s estimate of the initial monthly rent payable by Tenant under **Section 3.1(b)** hereof each month for the balance of the first calendar year after the Commencement Date is specified in the **Basic Lease Information**. On or before the first day of each subsequent calendar year during the term of this Lease, or as soon thereafter as practicable, Landlord shall give Tenant written notice of Landlord’s estimate of the amounts payable under **Section 3.1(b)** for the ensuing calendar year. Tenant shall pay such estimated amounts to Landlord in equal monthly installments, in advance, on or before the first day of each calendar month during the term of this Lease. If such notice is not given for any calendar year, Tenant shall continue to pay on the basis of the prior year’s estimate until the month after such notice is given, and subsequent payments by Tenant shall be based on Landlord’s current estimate. Within a reasonable time after the end of each calendar year, Landlord will deliver to Tenant a statement of the actual CAM Expenses, Property Taxes and Insurance Costs for the previous year, and, as applicable, Tenant shall pay Landlord within thirty (30) days of Tenant’s receipt of such statement, the amount of any deficiency of the estimated amounts actually collected by Landlord during the previous calendar year compared to the actual amounts shown on such statement or Landlord shall credit any excess amounts collected to the next monthly installments of the amounts payable by Tenant under **Section 3.1(b)** hereof (or, if the term of this Lease has ended, Landlord shall refund the excess to Tenant with such statement), with interest in either case at the rate of five percent (5%) on an annualized basis and, if Landlord had collected an overage of more than five percent (5%) of the actual CAM Expenses, Property Taxes and Insurance Costs for the calendar year and such overage was determined solely as a result of the inspection by Tenant of the books of Landlord relating to CAM Expenses, Property Taxes and Insurance Costs, then Landlord shall also pay Tenant the reasonable third-party out-of-pocket costs of professional fees only of such inspection not to exceed \$2,000.00. Tenant or Tenant’s authorized agent or representative shall have the right once each calendar year upon written notice given within sixty (60) days after receipt of the then current statement, to inspect the books of Landlord relating to CAM Expenses, Property Taxes and Insurance Costs for the immediately prior calendar year only at the office of Landlord’s property manager for the Property for the purpose of verifying the information in such statement. If the term of this Lease commences or ends on a day other than the first or last day of a calendar year, respectively, the amounts payable by Tenant under **Section 3.1(b)** hereof applicable to the calendar year in which such term commences or ends shall be prorated according to the ratio which the number of days during the term of this Lease in such calendar year bears to three hundred sixty five (365). Termination of this Lease shall not affect the obligations of Landlord and Tenant pursuant to this **Section 3.2** to be performed after such termination. Whether or not Tenant so inspects books of Landlord, the statement of Landlord concerning the Triple Net Charges shall be deemed final, conclusive and binding unless properly established as requiring a correction pursuant to an accurate contrary finding arising out of a timely, time being strictly of the essence, and properly conducted inspection of the books of Landlord relating to the Triple Net Charges. Under no circumstance shall Tenant be permitted or entitled to challenge, question or otherwise inspect or dispute any statement other than the most recently provided statement and subject to the foregoing.

3.3 **Reserved.**

3.4 **Late Payment.** If any monthly installment of Base Rent or additional monthly rent is not received by Landlord within five (5) days after such installment is due, Tenant shall immediately pay to Landlord a late charge equal to the greater of \$500.00 or twelve percent (12%) of such delinquent installment as liquidated damages and as a cumulative remedy. All amounts of money payable by Tenant to Landlord hereunder, if not paid when due, shall bear interest from the due date until paid at the rate of twelve percent (12%) per annum or if greater, the maximum rate allowed by law, and Tenant shall pay such interest to Landlord on written demand provided if the maximum rate permitted by law is less than twelve percent (12%) per annum, then such maximum rate shall instead apply.

3.5 **Other Taxes Payable by Tenant.** Tenant shall reimburse Landlord, as additional rent, upon written demand for all taxes, assessments, excises, levies, fees and charges, including without limitation all payments related to the cost of providing facilities or services, whether or not now customary or within the contemplation of Landlord and Tenant, that are payable by Landlord and levied, assessed, charged, confirmed or imposed by any public or government authority upon, or measured by, or reasonably attributable to (a) the cost or value of Tenant's furniture, fixtures, equipment and other personal property located in the Premises or the cost or value of any improvements made in or to the Premises by or for Tenant, regardless of whether title to such improvements is vested in Tenant or Landlord, (b) any rent payable under this Lease, including without limitation any gross income tax or excise tax levied by any public or government authority with respect to the receipt of any such rent so long as such tax is a tax on rent, including without limitation the State of Florida sales tax on rents, (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or (d) this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises. Such taxes, assessments, excises, levies, fees and charges shall not include net income (measured by the income of Landlord from all sources or from sources other than solely rent) or franchise taxes of Landlord, unless levied or assessed against Landlord in whole or in part in lieu of, as a substitute for, or as an addition to any such taxes, assessments, excises, levies, fees and charges.

3.6 **Certain Definitions.** As used in this Lease, certain words are defined as follows. All of the following terms and provisions concerning "CAM Expenses," "Property Taxes" and "Insurance Costs" remain subject to the terms of this Lease respecting Tenant's Total Asset Obligations:

(a) **"CAM Expenses"** shall mean all direct and indirect costs and expenses paid or incurred by Landlord in connection with the ownership, management, operation, maintenance, replacement, and repair of the Property or providing services in accordance with this Lease including without limitation **Section 6.1** below and, including, but not limited to, all utilities; management fees and expenses; snow and ice and mud removal (if ever applicable); maintenance of the fire suppression systems, if any; accounting and other professional fees and expenses; painting the exterior of the Property or any structures; maintaining and repairing the foundations, the exterior walls and roof, the parking and loading areas, the sidewalks, landscaping and common areas, and the other parts of the Property; costs and expenses required by or resulting from compliance with any laws, ordinances, rules, regulations or orders applicable to the Property; and costs and expenses of contesting by appropriate proceedings any matter concerning managing, operating, maintaining, replacing or repairing the Property, or the validity or applicability of any law, ordinance, rule, regulation or order relating to the Property, or the amount or validity of any Property Taxes. CAM Expenses shall not include Property Taxes, Insurance Costs, charges payable by Tenant pursuant to **Section 3.5** hereof, depreciation on the Property, costs of tenants' improvements, real estate brokers' commissions, interest, or capital costs for major roof or major parking lot replacement or restoration work necessitated by fire or other casualty damage to the extent of net insurance proceeds received by Landlord with respect thereto.

(b) ***“Property Taxes”*** shall mean all taxes, assessments, excises, levies, fees and charges (and any tax, assessment, excise, levy, fee or charge levied wholly or partly in lieu thereof or as a substitute therefor or as an addition thereto) of every kind and description, whether or not now customary or within the contemplation of Landlord and Tenant, that are levied, assessed, charged, confirmed or imposed by any public or government authority on or against the Property or any part thereof or any personal property used in connection with the Property. Property Taxes shall not include net income (measured by the income of Landlord from all sources or from sources other than solely rent) or franchise taxes of Landlord, unless levied or assessed against Landlord in whole or in part in lieu of, as a substitute for, or as an addition to any Property Taxes. Property Taxes shall not include charges payable by Tenant pursuant to **Section 3.5** hereof or taxes, assessments, excises, levies, fees or charges allocable to common area improvements made by Landlord pursuant to **Section 1.1**. Landlord advises that it makes commercially reasonable evaluation each year of whether and to what extent to challenge or otherwise protest the valuation and/or real estate taxes for the property (***“Tax Protest”***) and where appropriate in Landlord’s sole discretion Landlord may elect to pursue such Tax Protest, acting in each case in a commercially reasonable manner. However, if it wishes to do so, Tenant is permitted to give timely written notice to Landlord (***“Protest Notice”***) that Tenant elects to prosecute such a Tax Protest for the most current year for which such Tax Protest is available. If Tenant delivers the Protest Notice, Tenant shall timely then prosecute the Tax Protest, Tenant shall not withdraw Tax Protest nor abandon its proceedings, and Tenant shall prosecute the Tax Protest in good faith to a proper conclusion. Furthermore, if Tenant prosecutes the Tax Protest, Tenant shall (i) timely follow the legal requirements and conditions to do so, (ii) contemporaneously provide copies to Landlord of all notices to and from the taxing authority pertaining to such Tax Protest, and (iii) contemporaneously provide copies of all notices pertaining to the Tax Protest, to and from Tenant or it’s designated Tax Protest agent or representative prosecuting the same. Should the Tax Protest result in a successful reduction such that any real estate taxes previously paid are refunded, then, to the extent such refunded amounts had previously been paid by Tenant, Tenant shall be entitled to receive such refunded amount as a credit against subsequently due rents so long as there is no default then continuing (else not until same is cured) or as a refund to Tenant within thirty (30) days of such refund, if the Lease has terminated or expired so long as Tenant is free of then continuing default (else not until same is cured). Should the Tax Protest result in an increase in valuation or real estate taxes, then Tenant shall timely pay the deficiency so resulting. The foregoing provisions concerning Tax Protest shall survive the expiration or termination of the Lease, as applicable to effectuate their intent.

(c) ***“Insurance Costs”*** shall mean all premiums and other charges for all property, earthquake, flood, loss of rental income, business interruption, liability and other insurance relating to the Property carried by Landlord including without limitation under **Section 8.4**.

3.7 **No Accord and Satisfaction.** No payment by Tenant or receipt by Landlord of a lesser amount of monthly Base Rent and additional rent or any other sum due hereunder, shall be deemed to be other than on account of the earliest due rent or payment, nor shall any endorsement or statement on any check or any letter accompanying any such check or payment be deemed an accord and satisfaction. Landlord agrees there shall be no duplication of charges.

ARTICLE 4
Use of the Premises

4.1 **Permitted Use.** Tenant shall use the Premises only for the Permitted Use specified in the **Basic Lease Information** of the Premises and for no other purpose whatsoever. Tenant shall not do or permit to be done in, on or about the Premises, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or will in any way conflict with any law, ordinance, rule, regulation or order now in force or which may hereafter be enacted, or which is prohibited by any insurance policy carried by Landlord for the Property, or will in any way increase the existing rate of, or disallow any fire rating or sprinkler credit, or cause a cancellation of, or affect any insurance for the Property. Tenant shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of Landlord or (if ever applicable) other tenants of the Property, or injure or annoy them. Tenant shall not store any materials, equipment or vehicles outside the Premises other than as an ancillary part of its operations and agrees that no washing of any type (including without limitation washing vehicles) shall take place in or outside the Premises. Tenant shall not receive, store or otherwise handle any product or material that is explosive or highly inflammable. Tenant shall not install any signs on the Premises without the prior written consent of Landlord.

4.2 **Environmental Definitions.** As used in this Lease, **"Hazardous Materials"** shall mean (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under any Environmental Law, now existing or later adopted during the term of this Lease; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea, formaldehyde foam insulation and polychlorinated biphenyls. **"Environmental Law"** shall mean all federal, state and local laws, statutes, ordinances, regulations, rules, judicial and administrative orders and decrees, permits, licenses, approvals, authorizations and similar requirements of all federal, state and local governmental agencies or other governmental authorities pertaining to the protection of human health and safety or the environment, now existing or later adopted during the term of this Lease. As used in this Lease, **"Permitted Materials"** shall mean the materials, which are not Hazardous Materials or which are Hazardous Materials in amounts and usage permitted by law, handled by Tenant in the ordinary course of conducting the Permitted Use and any Hazardous Materials that are listed by name and maximum quantity and approved by Landlord on **Exhibit C** attached hereto.

4.3 **Environmental Requirements.** Tenant shall not (nor permit others to) use, store or otherwise handle any Hazardous Materials which are not Permitted Materials on or about the Premises and all Permitted Materials shall be stored in a manner that protects the Premises, the Property and the environment from accidental spills and releases. Tenant shall obtain and maintain in effect all permits and licenses required pursuant to any Environmental Law for Tenant's activities on the Premises, and Tenant shall at all times comply with all applicable Environmental Laws. Tenant shall not store or cause or permit to occur any release of any Hazardous Materials or any condition of pollution or nuisance on or about the Premises and if any release of Hazardous Materials to the environment, or any condition of pollution or nuisance, occurs on or about or beneath the Premises as a result of any act or omission of Tenant or its agents, officers, employees, contractors, invitees or licensees, Tenant shall, at Tenant's sole cost and expense, promptly undertake all remedial measures required to clean up and abate or otherwise respond to the release, pollution or nuisance in accordance with all applicable Environmental Laws. On or before the date Tenant ceases to occupy the Premises, Tenant shall remove from the Premises all Hazardous Materials and all Permitted Materials handled by or permitted on the Premises by Tenant. Tenant shall not use, store or handle any chlorinated solvent except for de minimis amounts contained in cleaning supplies provided that such chlorinated solvents and their de minimis amounts are listed and approved by Landlord on **Exhibit C** and are used in conformance with Environmental Laws and good environmental practice. Landlord and Landlord's representatives shall have the right, but not the obligation, to enter the Premises at any reasonable time for the purpose of inspecting the storage, use and handling of any Hazardous Materials on the Premises in order to determine Tenant's compliance with the requirements of this Lease and applicable Environmental Law and Tenant shall correct any violation within five (5) days after Tenant's receipt of notice of such violation from Landlord. Tenant shall indemnify and defend Landlord against and hold Landlord harmless from all claims, demands, actions, judgments, liabilities, costs, expenses, losses, damages, penalties, fines and obligations of any nature (including without limitation reasonable attorneys' fees and disbursements incurred in the investigation, defense or settlement of claims) that Landlord may incur as a result of, or in connection with, claims arising from the presence, use, storage, transportation, treatment, disposal, release or other handling, on or about or beneath the Premises, of any Hazardous Materials introduced or permitted on or about or beneath the Premises by any act or omission of Tenant or its agents, officers, employees, contractors, invitees or licensees. For the avoidance of doubt, Landlord shall indemnify and defend Tenant against and hold Tenant harmless from all claims, demands, actions, judgments, liabilities, costs, expenses, losses, damages, penalties, fines and obligations of any nature (including without limitation reasonable attorneys' fees and disbursements incurred in the investigation, defense or settlement of claims) that Tenant may incur as a result of, or in connection with, any claims arising outside of the term of the Lease resulting from the presence, use, storage, transportation, treatment, disposal, release or other handling, on or about or beneath the Premises, of any Hazardous Materials introduced or permitted on or about or beneath the Premises by any act or omission of Landlord or its agents, officers, employees, contractors, invitees or licensees subject to the following. Tenant acknowledges it has been in possession of and has operated its business at and upon the Premises prior to the date of execution of this Lease and, as between Tenant and Landlord, Tenant has had a greater opportunity to know and appreciate the environmental condition and status of the Premises and its underlying and immediately surrounding lands. The liability of Tenant and Landlord under this **Section 4.3** shall survive the termination of this Lease.

4.4 **Compliance With Law.** Tenant shall, at Tenant's sole cost and expense, promptly comply with all laws, ordinances, rules, regulations, orders and other requirements of any government or public authority now in force or which may hereafter be in force, with all requirements of any board of fire underwriters or other similar body now or hereafter constituted, and with all directions and certificates of occupancy issued pursuant to any law by any governmental agency or officer, insofar as any thereof relate to or are required by the condition, use or occupancy of the Premises and Property or the operation, use or maintenance of any personal property, fixtures, machinery, equipment or improvements in the Premises or upon the Property.

4.5 **Radon:** Florida Statutes require the inclusion of the following notification: "Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed Federal and State guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county health department."

4.6 **Entry by Landlord.** Landlord shall have the right to enter the Premises and Property at any time to (a) inspect, (b) exhibit to prospective purchasers, lenders or tenants, (c) determine whether Tenant is performing all of Tenant's obligations, (d) supply any service to be provided by Landlord (if any is ever applicable), (e) post notices of non-responsibility, and (f) make any repairs to the Premises or any adjoining space or utility services, or make any repairs, alterations or improvements to any other portion of the Property (if such obligation is ever applicable). Tenant waives all claims for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by such entry. All locks for all doors in, on or about the Premises (excluding Tenant's vaults, safes and similar special security areas designated in writing by Tenant) shall be keyed to the master system for the Property. Landlord shall at all times have a key to unlock all such doors and Landlord shall have the right to use any and all means which Landlord may deem proper to open such doors in an emergency to obtain entry to the Premises.

ARTICLE 5
Utilities and Services

5.1 **Tenant's Responsibilities.** Tenant shall pay, directly to the appropriate supplier before delinquency, for all utilities and services supplied to the Premises, together with all taxes, assessments, surcharges and similar expenses relating to such utilities and services. If any such utilities or services are jointly metered with the Premises and another part of the Property (if ever applicable), Landlord shall determine Tenant's share of the cost of such jointly metered utilities and services based on Landlord's estimate of usage, and Tenant shall pay as additional rent Tenant's share of the cost of such jointly metered utilities and services to Landlord within ten (10) days after receipt of Landlord's written statement for such cost. Tenant shall furnish the Premises with all telephone service, window washing, security service, janitor, scavenger and disposal services, and other services required by Tenant for the use of the Premises permitted by this Lease. Tenant shall furnish all electric light bulbs and tubes and restroom supplies used in the Premises. Landlord shall not be in default under this Lease or be liable for any damage or loss directly or indirectly resulting from, nor shall the rent be abated or a constructive or other eviction be deemed to have occurred by reason of, any interruption of or failure to supply or delay in supplying any such utilities and services or any limitation, curtailment, rationing or restriction on use of water, electricity, gas or any resource or form of energy or other service serving the Premises or the Property, whether such results from mandatory restrictions or voluntary compliance with guidelines or any other causes or circumstances other than Landlord's intentional or reckless acts or omissions.

ARTICLE 6
Maintenance and Repairs

6.1 **Landlord.** Landlord does not have any obligations with respect to maintenance or repairs of the Property or Premises. To the extent ever applicable, Tenant waives any right to perform maintenance or make repairs for which Landlord is responsible at Landlord's expense. Any damage to any part of the Property for which Landlord is ever responsible (if any ever so arises) but that is caused by Tenant or any agent, officer, employee, contractor, licensee or invitee of Tenant shall be repaired by Tenant at Tenant's expense.

6.2 **Obligations of Tenant.** Tenant shall maintain and repair the foundations, the exterior walls (which shall include without limitation windows, glass or plate glass, doors, special fronts, entries, or the interior surfaces of exterior walls), the roof and other structural components of the Premises and the common areas of the Property and keep them in good condition, reasonable wear and tear excepted. Tenant shall, at Tenant's sole cost and expense, maintain and repair the Premises and all equipment, fixtures and improvements therein (including without limitation windows, glass, plate glass, doors, special fronts, entries, the interior surfaces of exterior walls, interior walls, floors, heating and air conditioning systems including without limitation replacements of heating and air conditioning systems or major components thereof as necessary, dock boards, truck doors, dock bumpers, plumbing fixtures and equipment, electrical components and mechanical systems) and keep all of the foregoing clean and in good order and operating condition, ordinary wear and tear excepted. Tenant shall not damage the Premises or disturb the integrity and support provided by any wall. Tenant shall take good care of the Premises and keep the Premises free from dirt, rubbish, waste and debris at all times. Tenant shall not exceed the load-bearing capacity of the floors in the Premises. Tenant shall, at Tenant's expense, enter into a regularly scheduled preventative maintenance and service contract with a maintenance contractor approved in writing by Landlord for servicing all hot water, heating, ventilating and air conditioning ("***HVAC***") systems and equipment in the Premises. The maintenance and service contract shall include without limitation all services suggested by the equipment manufacturer and shall become effective (and Tenant shall deliver a copy to Landlord) within thirty (30) days after the Commencement Date. Tenant and Tenant's maintenance contractor shall at all times conduct maintenance on the HVAC equipment at the Premises in accordance with all Federal, state or local laws and repair any leak in the HVAC equipment within the deadline imposed by such Federal, state or local laws, complying with all laws pertaining to refrigerant or coolant composition. In the event of a replacement of a part or portion of the HVAC equipment which is warranted by the manufacturer and/or guaranteed by the installer, Tenant shall provide the Landlord with a duplicate original of the warranty and/or guarantee. Tenant shall, at the end of the term of this Lease, surrender to Landlord the Premises and all alterations, additions, fixtures and improvements therein or thereto in the same condition as when received, ordinary wear and tear excepted but otherwise in the then-state of condition, repair and operation as is required by the Lease to have been kept and maintained throughout the Term.

ARTICLE 7
Alteration of the Premises

7.1 **No Alterations by Tenant.** Tenant shall not make any material alterations or improvements in or to the Premises or any part thereof, or attach any fixtures thereto, without Landlord's prior written consent. Notwithstanding the preceding sentence, upon prior written notice to Landlord, Tenant may make such alterations or improvements without Landlord's consent only if the total cost of such alterations or improvements is Five Thousand Dollars (\$5,000) or less and such alterations or improvements will not affect in any way the structural, exterior or roof elements of the Property or the mechanical, electrical, plumbing or life safety systems of the Property and are strictly interior. Tenant shall submit to Landlord, for Landlord's prior written approval, complete plans and specifications prepared by responsible licensed architect(s) and engineer(s) in compliance with all applicable codes, laws, ordinances, rules and regulations. Tenant shall engage responsible licensed contractor(s) to perform all work and all work shall be performed in accordance with the plans and specifications approved by Landlord, in a good and workmanlike manner, in full compliance with all applicable laws, codes, ordinances, rules and regulations, and free and clear of any mechanics' liens. Tenant shall pay for all work required to make the alterations and improvements. Tenant shall pay to Landlord all direct costs and shall reimburse Landlord for all expenses incurred by Landlord in connection with the review, approval and supervision of any alterations or improvements made by Tenant.

7.2 **Landlord's Property.** All alterations, additions, fixtures and improvements made in or to the Premises by Landlord or Tenant, shall become part of the Property and Landlord's property and upon termination of this Lease, Landlord shall have the right to retain all such alterations, additions, fixtures and improvements in the Premises relinquished by Tenant, without compensation to Tenant, or to remove all such alterations, additions, fixtures and improvements from the Premises, repair all damage caused by any such removal, and restore the Premises to the condition in which the Premises existed before such alterations, additions, fixtures and improvements were made, and in the latter case Tenant shall pay to Landlord, upon billing by Landlord, the cost of such removal, repair and restoration (including without limitation a reasonable charge for Landlord's overhead and profit). All movable furniture, equipment, trade fixtures, computers, office machines and other personal property shall remain the property of Tenant and upon termination of this Lease shall be removed by Tenant from the Property and Tenant shall repair all damage caused by any such removal. Termination of this Lease shall not affect the obligations of Tenant pursuant to this **Section 7.2** to be performed after such termination.

7.3 **No Liens.** Landlord's interest in the Premises and Property is not and shall not be subject to any liens as a result of Tenant's use or occupancy of the Premises including specifically, without limitation, for improvements or alterations made by Tenant, and all such liens are expressly prohibited. Tenant agrees to notify every person making improvements to the Premises of the provisions of this **Section 7.3**, and Tenant's failure to do so shall be a default by Tenant under this Lease. Tenant will not permit any mechanic's lien or materialman's lien to be filed against the Premises. These provisions are intended to allow Landlord to secure the benefit of the applicable provisions of the Florida Construction Lien Law and specifically Florida Statutes, Section 713.10 (and any successor thereto), so as to properly insulate Landlord's fee and other interests in and to the land, Property and Premises, from the encumbrance of any such liens. In the event any such lien is filed or claimed against the Premises or Property because of work done for or materials furnished to or for the benefit of Tenant, or if any other lien is claimed against the Premises or Property as a result of Tenant's use or occupancy thereof, then Tenant shall cause same to be discharged within five (5) days of receiving notice of same. Landlord has the right, but not the obligation, to discharge any such lien. Any amount paid by Landlord for such purpose and Landlord's related reasonable attorneys' fees shall be paid by Tenant to Landlord upon demand and shall accrue interest from the date paid by Landlord until Landlord is reimbursed therefor at the highest rate permitted by Law, all as an item of additional rent and as a cumulative remedy.

ARTICLE 8
Indemnification and Insurance

8.1 **Damage or Injury.** Landlord shall not be liable to Tenant, and Tenant hereby waives all claims against Landlord, for any damage to or loss or theft of any property or for any bodily or personal injury, illness or death of any person in, on or about the Premises or the Property arising at any time and from any cause whatsoever other than arising out of Landlord's intentional or reckless acts or omissions. Tenant shall indemnify and defend Landlord against and hold Landlord harmless from all claims, demands, liabilities, damages, losses, costs and expenses, including without limitation reasonable attorneys' fees and disbursements through and including without limitation all appellate and bankruptcy levels and proceedings, arising from or related to any use or occupancy of the Premises and Property, or any condition of the Premises or Property, or any default in the performance of Tenant's obligations under this Lease, or any damage to any property (including without limitation property of employees and invitees of Tenant) or any bodily or personal injury, illness or death of any person (including without limitation employees and invitees of Tenant) occurring in, on or about the Premises or Property, or any part thereof arising at any time other than arising out of Landlord's intentional or reckless acts or omissions. This **Section 8.1** shall survive the termination of this Lease with respect to any damage, bodily or personal injury, illness or death occurring prior to such termination.

8.2 **Insurance.** Tenant agrees and hereby covenants that it shall, during the entire term hereof, keep in force and effect a policy or policies required by law and the following (i) commercial general liability insurance with respect to the Premises and the Property, and the business operated by Tenant and any subtenants of Tenant in the Premises, in which the limits shall not be less than \$2,000,000 per occurrence and \$3,000,000 general aggregate; (ii) business auto liability insurance with limits not less than \$2,000,000 for any owned, hired or non owned auto; if Tenant has no owned autos, Tenant may provide hired and non owned auto liability coverage or agree to provide evidence of auto liability coverage prior to using a vehicle for its business activity on the property; (iii) workers compensation insurance in statutory limits for all of its employees in the states in which the employees are working on behalf of the tenant and employers liability insurance with limits of the greater of \$500,000 or that required by law; (iv) umbrella excess liability insurance in excess of underlying coverages required above with limits not less than \$5,000,000; (v) all risk property insurance, including without limitation business income and extra expense, which insures the improvements, fixtures, inventory, and all other property of Tenant, within the Premises or on the Property, against any loss arising from fire, flooding, lightning, earthquake, windstorm, hail, rain, water leakage, seepage, the elements or other casualty, for the full replacement value of such property. The liability policies shall name Landlord and any person, firm, or corporation designated by Landlord as an additional insured or as an additional named insured, as Landlord shall require, evidenced by an additional insured endorsement reasonably acceptable to Landlord, and shall contain a clause stating that the insured will not cancel or materially reduce the insurance below the limits required without first giving Landlord thirty (30) days' prior written notice. Such insurance shall be primary and non-contributory to Landlord and the coverage afforded by such policy will not be subject or entitled to any contribution, reduction, or other benefit from or by reason of any insurance coverage carried by Landlord and will be issued by and carried with an insurance company with a minimum Best's Rating of A- VII or better or as otherwise approved by Landlord in Landlord's sole and absolute discretion. A certificate of insurance, as Landlord may require, shall be immediately delivered to Landlord prior to commencement and at each renewal.

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8.3 **Waiver of Subrogation.** Each of Landlord and Tenant waives on behalf of all insurers under all policies of property insurance now or hereafter carried insuring or covering the Premises or the Property, or any portion or any contents thereof, or any liabilities arising out of operations therein, all rights of subrogation which any such insurer might otherwise, if at all, have to any claims of Tenant against Landlord or Landlord against Tenant, as applicable but only to the extent of the net insurance proceeds payable under such policies (or which would have been payable had the party carried all insurance herein required). Landlord and Tenant shall procure from each of the insurers under all policies of property insurance now or hereafter carried by such party insuring or covering the Premises, or any portion or any contents thereof, or any operations therein, a waiver of all rights of subrogation which the insurer might otherwise, if at all, have to any claims of either party against the other as required by this **Section 8.3.**

8.4 **Landlord Insurance Requirements.** Landlord shall, at all times during the term of this Lease, secure and maintain:

(a) All risk property insurance coverage on the Property. Landlord shall not be obligated to insure any furniture, equipment, trade fixtures, machinery, goods, or supplies which Tenant may keep or maintain in the Premises or any alteration, addition or improvement which Tenant may have made or may make upon the Premises. In addition, Landlord may secure and maintain rental income insurance and any other insurance coverage required to be maintained by any mortgagee of the property. The annual cost to Landlord for such property or rental income insurance, whether or not it exceeds the standard rates because of the nature of Tenant's operations, shall be includable in the Triple Net Charges and may be invoiced separately to Tenant as an item of additional rent, due upon delivery of such invoice in each instance.

(b) Commercial general liability insurance with limits not less than \$5,000,000 per occurrence and aggregate, which may be satisfied through an umbrella policy. Such insurance shall be in addition to, and not in lieu of, insurance required to be maintained by Tenant. Tenant shall not be named as an additional insured on any policy of liability insurance maintained by Landlord. The annual cost to Landlord for such commercial general liability insurance, whether or not it exceeds the standard rates because of the nature of Tenant's operations, shall be includable in the Triple Net Charges and may be invoiced separately to Tenant as an item of additional rent, due upon delivery of such invoice in each instance.

ARTICLE 9
Assignment or Sublease

9.1 **Prohibition.** Tenant shall not, directly or indirectly, without the prior written consent of Landlord, assign (including without limitation any assignment by operation of law) this Lease or any interest herein or sublease the Premises or any part thereof, or permit the use or occupancy of the Premises by any person or entity other than Tenant (but subject to the following concerning a "Consolidation Allowed Sublease"). No assignee or subtenant of Tenant shall have a right further to assign this Lease or sublease the Premises, and all money and other economic consideration to be paid by the assignee or subtenant as a result of an assignment or sublease in excess of the total amount of rent which Tenant is obligated to pay to Landlord under this Lease (prorated to reflect the rent allocable to the portion of the Premises subject to such assignment or sublease) shall be paid by Tenant to Landlord as additional rent. No assignment or sublease whatsoever shall release Tenant from Tenant's obligations and liabilities under this Lease or alter the primary liability of Tenant to pay all rent and to perform all obligations to be paid and performed by Tenant. Tenant shall pay to Landlord all direct costs and shall reimburse Landlord for all expenses (including without limitation reasonable attorneys' fees) incurred by Landlord in connection with any assignment or sublease requested by Tenant. Landlord may, in its reasonable discretion, consider all factors cognizable by law as reasonable to evaluate and consider in making its determination of whether to consent, including without limitation making a study of the financial wherewithal and credit of any proposed successor or subtenant and, in the case of an assignment, may require additional guaranties as appropriate to satisfy reasonable financial standards and criteria for approval. Any guaranty of an individual offered shall be joined by spouse and shall be in Landlord's then current commercially reasonable form. Landlord may condition any consent to any assignment, upon the execution and delivery of Landlord's commercially reasonable form of instrument, executed by Landlord, Tenant, the successor (assignee) tenant, and any new guarantor(s) then so arising, under the terms of which (i) the Tenant (as assignor) agrees and confirms to the foregoing continued obligations and liabilities and assigns all of its rights, title and interest in and to the Lease and all moneys having been paid thereunder, including without limitation any security deposit, (ii) the successor (as assignee) agrees to assume the Lease in all respects and to assume all obligations of payment and performance thereunder, past, present and future, including without limitation for the express benefit of Landlord and accepts the Premises in its then as-is condition, (iii) Landlord shall not be liable for, and Tenant and the successor (as assignee) shall, jointly and severally, hold Landlord harmless against and indemnify Landlord for and from any commission(s) payable associated with the assignment, and (iv) the successor (as assignee) agrees to provide all proper current evidence of insurance as called for in this Lease prior to first entry upon, on or into the Premises. Landlord may condition any consent to any sublease, upon the execution and delivery to Landlord of a commercially reasonable form of sublease agreement as between Tenant and such subtenant, under the terms of which (i) Tenant shall continue to remain primarily liable for the payment of all amounts of rental and other sums and performance of all covenants required of Tenant under the Lease, (ii) there shall be no modifications or amendments of the sublease without the prior written consent of Landlord, (iii) the subtenant shall not be granted any rights of Tenant under the Lease nor the power to exercise same, (iv) it is provided that in the event of any default under the terms and provisions of the Lease, Landlord shall have the right to collect the rental attributable to the subleased space directly from the subtenant without waiving any of Landlord's rights against Tenant, (v) Landlord shall not be liable for, and Tenant and the subtenant shall, jointly and severally, hold Landlord harmless against and indemnify Landlord for and from any commission(s) payable associated with the sublease, and (vi) nothing in the sublease will be deemed to amend or modify the Lease as between Tenant and Landlord, and the subtenant will expressly confirm and acknowledge that the sublease is inferior and subordinate to the Lease in all respects. Notwithstanding the foregoing prohibition, in the event Tenant in fact consolidates all of its operations into a distinct portion of the Premises or into the Premises set forth in the Adjacent Lease (as defined below), then, Tenant may sublease the portion or the entirety of the Premises it has vacated for such reason to any subtenant meeting commercially reasonable criteria as to its creditworthiness and business reputation as Tenant may reasonably elect and without necessity of securing Landlord's advance written consent thereto (herein, a "Consolidation Allowed Sublease").

ARTICLE 10
Events of Default and Remedies

10.1 **Default by Tenant.** The occurrence of any one or more of the following events ("*Event of Default*") shall constitute a breach of this Lease by Tenant:

(a) Tenant fails to pay any Base Rent, or any additional monthly rent under **Section 3.1** hereof, or any other amount of money payable by Tenant hereunder as and when such rent becomes due and payable and such failure continues for more than five (5) days after Landlord gives written notice thereof to Tenant; provided, however, that after the second such failure in a calendar year, only the passage of time, but no further written notice, shall be required to establish an Event of Default in the same calendar year; or

(b) Tenant fails to perform or breaches any other agreement or covenant of this Lease to be performed or observed by Tenant as and when performance or observance is due and such failure or breach continues for more than thirty (30) days after Landlord gives written notice thereof to Tenant; provided, however, that if, by the nature of such agreement or covenant, such failure or breach cannot reasonably be cured within such period of thirty (30) days, an Event of Default shall not exist as long as Tenant promptly commences with due diligence and dispatch the curing of such failure or breach within such period of thirty (30) days and, having so commenced, thereafter prosecutes its efforts with continuous diligence and dispatch in good faith and completes the curing of such failure or breach within a reasonable period of time; or

(c) Tenant (i) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (ii) makes an assignment for the benefit of its creditors, or (iii) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Tenant or of any substantial part of Tenant's property; or

(d) Without consent by Tenant, a court or government authority enters an order, and such order is not vacated within thirty (30) days, (i) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Tenant or with respect to any substantial part of Tenant's property, or (ii) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, or (iii) ordering the dissolution, winding-up or liquidation of Tenant; or

(e) This Lease or any estate of Tenant hereunder is levied upon under any attachment or execution and such attachment or execution is not vacated within thirty (30) days; or

(f) There is an Event of Default under that certain Lease being entered into contemporaneously herewith ("**Adjacent Lease**") for premises therein identified as the **2 Commerce Boulevard building**, located at 2 Commerce Boulevard, Palm Coast, Florida 32164 (herein the "**Cross Default**" or the "**Cross Default event**"). All references to an Event of Default shall include without limitation and be deemed to also mean any instance of a Cross Default event as well.

10.2 **Terminations.** If an Event of Default occurs, Landlord shall have the right at any time to give a written termination notice to Tenant and, on the date specified in such notice, Tenant's right to possession shall terminate and this Lease shall terminate. Upon such termination, Landlord shall have the full and immediate right to possession of the Premises and Landlord shall have the right to recover from Tenant all unpaid rent which had been earned at the time of termination, all unpaid rent for the balance of the term of this Lease after termination, and all other amounts necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform all of Tenant's obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. In addition, if an Event of Default occurs, Landlord shall have the right to terminate Tenant's right to possession only without terminating the Lease. Neither such termination of Tenant's right to possession nor Landlord's taking and holding possession thereof shall terminate the Lease or release Tenant, in whole or in part, from any obligation, including without limitation Tenant's obligation to pay the rent, including without limitation any amounts treated as additional rent, under this Lease for the full Term, and if Landlord so elects Tenant shall pay forthwith to Landlord the sum equal to the entire amount of the rent, including without limitation any amounts treated as additional rent under this Lease, for the remainder of the Term plus any other sums provided in this Lease to be paid by Tenant for the remainder of the Term. Only in the circumstance where Landlord terminates Tenant's right to possession without terminating the Lease (unless expressly required by law), Landlord shall make commercially reasonable efforts subject to the following, to attempt to relet the Premises or any part thereof for such rent and upon such terms as Landlord, in its commercially reasonable discretion, shall determine (including without limitation the right to relet the premises for a greater or lesser term than that remaining under this Lease, the right to lease for greater or lesser rents, the right to relet the Premises as a part of a larger area, and the right to change the character or use made of the Premises). In connection with or in preparation for any reletting, Landlord may, but shall not be required to, make repairs, alterations and additions in or to the Premises and redecorate the same to the extent Landlord deems necessary or desirable, and clean the same; and Tenant shall, upon demand, pay the cost thereof, together with Landlord's expenses of reletting, including without limitation any commission incurred by Landlord. Landlord and Tenant agree that nevertheless Landlord shall at most be required to use only the same efforts Landlord then uses to lease other properties it may own and that in any case Landlord shall not be required to give any preference or priority to the showing or leasing of the Premises over any other properties that Landlord may be leasing or have available and may place a suitable prospective tenant in any such other space regardless of when such other space becomes available. Landlord shall not be required to observe any instruction given by Tenant about any reletting or accept any tenant offered by Tenant unless such offered tenant has a credit-worthiness acceptable to Landlord and leases the entire Premises upon terms and conditions including without limitation a rate of rent (after giving effect to all expenditures by Landlord for tenant improvements, broker's commissions and other leasing costs) all no less favorable to Landlord than as called for in this Lease but in its sole and absolute discretion Landlord may deviate from the criteria of minimum standards set out in this sentence including without limitation accepting such a proposed successor at lesser rents but without thereby waiving Landlord's right of recovery for damages so arising, including without limitation damages related to the "spread" of less rent than otherwise called for in this Lease. If an Event of Default occurs and Landlord does not exercise its right to terminate the Lease, then this Lease shall continue in effect for so long as Landlord does not terminate the Lease, and Landlord shall have the right to enforce all its rights and remedies under this Lease, including without limitation the right to recover all rent as it becomes due under this Lease. Notwithstanding anything to the contrary contained herein, upon the occurrence of an Event of Default, Landlord shall have the right to exercise and enforce all rights and remedies granted or permitted by law and the remedies provided for in this Lease are cumulative and in addition to all other remedies available to Landlord at law or in equity, by statute or otherwise. Surrender of the Premises can be effected only by the written agreement of Landlord and Tenant and exercise by Landlord of any remedy shall not be deemed to be an acceptance of surrender of the Premises by Tenant, either by agreement or by operation of law. Landlord shall be entitled to recover all of its pre-suit attorneys' fees incurred in connection with or arising out of any instance of breach, default or violation of the Lease by Tenant which is not timely cured after written notice and demand.

10.3 **Tenant's Primary Duty.** All agreements and covenants to be performed or observed by Tenant under this Lease shall be at Tenant's sole cost and expense and without any abatement of rent. If Tenant fails to pay any sum of money to be paid by Tenant or to perform any other act to be performed by Tenant under this Lease, Landlord shall have the right, but shall not be obligated, and without waiving or releasing Tenant from any obligations of Tenant, to make any such payment or to perform any such other act on behalf of Tenant in accordance with this Lease. All sums so paid by Landlord and all costs incurred or paid by Landlord shall be deemed additional rent hereunder and Tenant shall pay the same to Landlord on written demand, together with interest on all such sums and costs from the date of expenditure by Landlord to the date of repayment by Tenant at the rate of eighteen (18) percent or if greater, the maximum rate allowed by law provided if the maximum rate permitted by law is less than eighteen (18%) percent per annum, then such maximum rate shall instead apply.

10.4 **Abandoned Property.** If Tenant abandons the Premises, or is dispossessed by process of law or otherwise, any movable furniture, equipment, trade fixtures or personal property belonging to Tenant and left in the Premises shall be deemed to be abandoned, at the option of Landlord, and Landlord shall have the right to sell or otherwise dispose of such personal property in any commercially reasonable manner.

10.5 **Landlord Default.** If Landlord defaults under this Lease, Tenant shall give written notice to Landlord specifying such default with particularity, and Landlord shall have thirty (30) days after receipt of such notice within which to cure such default. In the event of any default by Landlord, Tenant's exclusive remedy shall be an action for damages. Notwithstanding any other provision of this Lease, Landlord shall not have any personal liability under this Lease. In the event of any default by Landlord under this Lease, Tenant agrees to look solely to the equity or interest then owned by Landlord in the Property, and in no event shall any deficiency judgment or personal money judgment of any kind be sought or obtained against Landlord. For clarity and to avoid all doubt: Redress for any claim against Landlord under this Lease shall be limited to and enforceable only against and to the extent of Landlord's interest in the Property. The obligations of Landlord under this Lease are not intended to and shall not be personally binding on, nor shall any resort be had to the private properties of Landlord's investment manager or any trustees or board of directors and officers, as the case may be, general partners, beneficiaries, stockholders, employees, or agents of Landlord or the investment manager.

10.6 **Early Termination Options.** The following early termination rights exist on the terms and conditions set forth below:

(a) One Time Only Early Termination Right:

(i) **In General:** Notwithstanding any other term or condition of the Lease, including in respect of the duration of the Term, provided Tenant is not in monetary default or violation of the Lease and provided Tenant is not in material non-monetary default or violation of any term or condition of the Lease beyond any thereto applicable notice and curative period, Tenant is granted the unconditional right in its sole discretion to terminate the Lease earlier than the otherwise anticipated natural expiration date but subject to the following conditions and obligations and only if Tenant properly makes the same election under the Adjacent Lease to terminate the Adjacent Lease early and at the same time as this Lease, under the identical One Time Only Early Termination Right provisions set forth in the Adjacent Lease.

(ii) **Timing and Notice:** Any such notice of election for early termination ("**Early Termination Notice**") can be given at any time during the initial Term of this Lease subject to the following and no such Early Termination Notice shall be effective or binding unless accompanied by the payment to Landlord of good, collected US dollars in the amount of the "**Termination Fee**" defined below. Subject to the terms hereof, a properly given Early Termination Notice accompanied by the correct payment of the Termination Fee shall irrevocably commit Tenant to such early termination election and shall cause the Lease to be deemed to naturally expire as of the last day of the fourth (4th) month following the month during which the Early Termination Notice is given; herein the "**Early Termination Date**".

(iii) **Computation of Termination Fee:** For these purposes, "**Termination Fee**" means the amount equal to (A) a sum computed as of the Early Termination Date, of the "Present Value" of the "Accelerated Base Rents", as these terms are defined hereafter, plus (B) all rent to be due through the Early Termination Date. The "**Present Value**" of the "**Accelerated Base Rents**" shall mean the aggregate of each commercially typical present value determination as of the Early Termination Date, of each otherwise future installment of Base Rent only, as such installments of Base Rent would otherwise be payable for each future month throughout what otherwise would be the balance of the initial Term; employing for each such month's present value computation, a discount rate equal to the per annum Wall Street Journal Prime Rate as of the date of payment.

(iv) **Effect; Treated as Natural Expiration**: In case of the timely delivery of such Early Termination Notice properly accompanied by the full amount of such Termination Fee, then this Lease shall terminate upon the Early Termination Date as though such date were scheduled all along as the natural expiration date of the Term in the same manner and subject to the same terms and conditions of the Lease governing the circumstance of a natural expiration of the Term; and the Lease shall automatically be deemed amended thereby to establish such Early Termination Date as though it had been stipulated from inception as the date of natural expiration of the term of the Lease without any further or surviving rights of renewal or extension.

(v) **Sales Tax**: No obligation to pay sales or rent tax on such Termination Fee amount paid will arise subject to the following. In order to assure that sales or rent tax should not come due upon the payment of the Termination Fee, the parties agree as follows: Landlord and Tenant acknowledge and agree that the Termination Fee represents liquidated damages and is not a penalty and neither party shall record or report such payment as rental income or rental expense, respectively. The foregoing covenant is being made so that sales tax will not be due in connection with such cancellation payment pursuant to Rule 12A-1.070(4)(g) of the Florida Administrative Code as same may be amended, updated, substituted or replaced. If either party hereto violates the foregoing covenant, such party shall be solely liable for the payment of any Florida sales tax that may result therefrom and, consonant with the risk set forth at Rule 12A-1.0704(g)(4.) of the Florida Administrative Code (as same may be amended, updated, substituted or replaced), each party agrees it shall indemnify and hold the other harmless from and against any such tax payment, which the indemnified party is required to pay, where the indemnified party complied with its obligations herein, but where the indemnifying party did not.

(b) **One Time Only Early Termination Right at 6 Year Mark**:

(i) **In General**: Notwithstanding any other term or condition of the Lease, including in respect of the duration of the Term, provided Tenant is not in monetary default or violation of the Lease and provided Tenant is not in material non-monetary default or violation of any term or condition of the Lease beyond any thereto applicable notice and curative period, Tenant is granted the unconditional right in its sole discretion to terminate the Lease earlier than the otherwise anticipated natural expiration date but subject to the following conditions and obligations and only if Tenant properly makes the same election under the Adjacent Lease to terminate the Adjacent Lease early and at the same time as this Lease, under the identical One Time Only Early Termination Right at Year 6 Mark provisions set forth in the Adjacent Lease.

(ii) **Timing and Notice**: Any such notice of election for early termination (“**Early Termination Notice at 6 Period Mark**”) can be given if at all only within the thirty (30) day period immediately preceding the 180th day prior to the last day of Period 6 of the initial Term, time being strictly of the essence subject to the following and no such Early Termination Notice at 6 Period Mark shall be effective or binding unless, within ninety (90) days after the giving of the Early Termination Notice at 6 Period Mark, Tenant timely delivers to Landlord the payment of good, collected US dollars in the amount of the “**Termination Fee at 6 Period Mark**” defined below. Subject to the terms hereof, a properly given Early Termination Notice at 6 Period Mark so timely followed by the correct payment of the Termination Fee at 6 Period Mark shall irrevocably commit Tenant to such early termination election and shall cause the Lease to be deemed to naturally expire as of the last day of the first month of Period 7 of the initial Term of the Lease; herein the “**Early Termination Date at Period 6 Mark**”.

(iii) **Computation of Termination Fee at 6 Period Mark:** For these purposes, “**Termination Fee at Period 6 Mark**” means the amount equal to (A) a sum computed as ninety (90%) percent of the same sum which otherwise would be computed as the Termination Fee under Section 10.6(a)(iii)(A) immediately above, had said Section 10.6(a)(iii)(A) applied so as to bring about the Early Termination Date under said Section 10.6(a)(iii)(A) on the same day as the Early Termination Date at Period 6 Mark hereunder, plus (B) all rent to be due through the Early Termination Date at Period 6 Mark.

(iv) **Effect; Treated as Natural Expiration:** In case of the timely delivery of such Early Termination Notice at 6 Period Mark properly and timely thereafter followed by the full amount of the Termination Fee at 6 Period Mark, then, this Lease shall terminate upon the Early Termination Date at Period 6 Mark as though such date were scheduled all along as the natural expiration date of the Term in the same manner and subject to the same terms and conditions of the Lease governing the circumstance of a natural expiration of the Term; and the Lease shall automatically be deemed amended thereby to establish such Early Termination Date at Period 6 Mark as though it had been stipulated from inception as the date of natural expiration of the term of the Lease without any further or surviving rights of renewal or extension.

(v) **Sales Tax:** No obligation to pay sales or rent tax on such Termination Fee at 6 Period Mark amount paid will arise subject to the following. In order to assure that sales or rent tax should not come due upon the payment of the Termination Fee at 6 Period Mark, the parties agree as follows: Landlord and Tenant acknowledge and agree that the Termination Fee at 6 Period Mark represents liquidated damages and is not a penalty and neither party shall record or report such payment as rental income or rental expense, respectively. The foregoing covenant is being made so that sales tax will not be due in connection with such cancellation payment pursuant to Rule 12A-1.070(4)(g) of the Florida Administrative Code as same may be amended, updated, substituted or replaced. If either party hereto violates the foregoing covenant, such party shall be solely liable for the payment of any Florida sales tax that may result therefrom and, consonant with the risk set forth at Rule 12A-1.0704(g)(4.) of the Florida Administrative Code (as same may be amended, updated, substituted or replaced), each party agrees it shall indemnify and hold the other harmless from and against any such tax payment, which the indemnified party is required to pay, where the indemnified party complied with its obligations herein, but where the indemnifying party did not.

ARTICLE 11

Casualty

11.1 **Casualty.** If fire or other casualty damages the Premises or common areas of the Property necessary for Tenant’s use and occupancy of the Premises, whether or not such damage is the result of the negligence or willful misconduct of Tenant or Tenant’s agents, officers, employees, contractors, licensees or invitees, and irrespective of any resulting period during which the Premises is rendered unusable by such damage, Tenant nonetheless shall not be entitled to any reduction in Base Rent or any other rents due hereunder; such circumstance shall not give rise to any excuse, legal or otherwise, for Tenant’s continued obligations of payment and performance under this Lease and this Lease shall not thereby terminate; and Tenant shall be responsible to repair, reconstruct, replace and restore at Tenant’s sole cost and expense, all parts and portions of the Premises and Property so effected by casualty so as to restore same to its prior condition and state; provided, in its sole and absolute discretion, by election made within thirty (30) days after receipt of written notice from Tenant of such casualty event, Landlord may instead elect to receive all insurance proceeds arising by reason thereof and to terminate the Lease. If Landlord does not exercise the right to elect to receive such insurance proceeds and terminate this Lease in accordance with this **Section 11.1**, then, as noted above this Lease shall (subject to the terms of this **Section 11.1**) remain in full force and effect and Tenant shall repair such damage and restore the Property and the Premises to substantially the same condition in which the Property and the Premises existed before the occurrence of such fire or other casualty without limiting such obligations to the amount of insurance proceeds available. Landlord shall not be obligated to make any repairs nor replacements nor to effectuate any restorations and shall have no liability for any damage to, nor have obligation to make any replacement of, any movable furniture, equipment, trade fixtures or personal property in the Premises or upon the Property. Tenant shall, at Tenant’s sole cost and expense, repair and replace all such movable furniture, equipment, trade fixtures and personal property and any other parts or portions thereof. In the absence of Landlord’s election as aforesaid, this Lease shall not terminate notwithstanding any and every manner of casualty, including without limitation a total destruction of the Premises and Property.

ARTICLE 12
Eminent Domain

12.1 **Condemnation.** Landlord shall have the right to terminate this Lease if any part of the Premises or any substantial part of the Property (meaning more than thirty 30% percent of the acreage of the land whether or not inclusive of the Premises or more than fifty 50% percent of the square footage of the Premises) is taken by exercise of the power of eminent domain (including without limitation any voluntary conveyance in lieu thereof) before the Commencement Date or during the term of this Lease. Tenant shall have the right to terminate this Lease only if more than fifty (50%) percent of the square footage of the Premises is taken by exercise of the power of eminent domain during the term of this Lease, or, if so much of the Property (other than the Premises) is taken by exercise of the power of eminent domain during the term of this Lease that the remaining portion of the Property is insufficient to meet requirements of law to permit the continued use and legally required minimum available parking and access to the Premises necessary for the permitted use hereunder. In each such case, Landlord or Tenant shall exercise such termination right by giving written notice to the other within thirty (30) days after the date of such taking. If either Landlord or Tenant exercises such right to terminate this Lease in accordance with this **Section 12.1**, this Lease shall terminate as of the date of such taking. If neither Landlord nor Tenant exercises such right to terminate this Lease in accordance with this **Section 12.1**, this Lease shall terminate as to the portion of the Premises or Property so taken as of the date of such taking and shall remain in full force and effect as to the portion of the Premises or Property not so taken, and, but only in case of a reduction of the square footage of the Premises, the monthly Base Rent only shall be reduced as of the date of such taking in the proportion that the area of the Premises so taken bears to the total area of the Premises. In the absence of a termination of the Lease, Tenant at Tenant's sole cost and expense shall promptly and diligently repair, reconstruct, replace and restore all parts and portions of the Premises and Property including without limitation constructed improvements thereon as necessary to then continue operations for the permitted use hereunder. If all of the Premises is taken by exercise of the power of eminent domain before the Commencement Date or during the term of this Lease, this Lease shall terminate as of the date of such taking. All awards, compensation, damages, income, rent and interest payable in connection with such taking shall, except as expressly set forth below, be paid to and become the property of Landlord, and Tenant hereby assigns to Landlord all of the foregoing. Tenant shall have the right to claim and receive directly from the entity exercising the power of eminent domain only the share of any award determined to be owing to Tenant for the taking of improvements installed in the portion of the Premises so taken by Tenant at Tenant's sole cost and expense based on the unamortized cost actually paid by Tenant for such improvements, for the taking of Tenant's movable furniture, equipment, trade fixtures and personal property, for loss of goodwill, for interference with or interruption of Tenant's business, or for removal and relocation expenses provided the foregoing does not diminish Landlord's award.

ARTICLE 13
Subordination and Sale

13.1 **Subordination.** This Lease shall be subject and subordinate at all times to the lien of all mortgages and deeds of trust securing any amount or amounts whatsoever which may now exist or hereafter be placed on or against the Property or on or against Landlord's interest or estate therein, all without the necessity of having further instruments executed by Tenant to effect such subordination and this subordination shall automatically arise and apply by operation of these provisions. Notwithstanding the foregoing, in the event of a foreclosure of any such mortgage or deed of trust or of any other action or proceeding for the enforcement thereof, or of any sale thereunder, this Lease shall not be terminated or extinguished, nor shall the rights and possession of Tenant hereunder be disturbed, if no Event of Default then exists under this Lease, and if Tenant shall attorn to the person who acquires Landlord's interest hereunder through any such mortgage or deed of trust. Tenant agrees to execute, acknowledge and deliver within twenty (20) days of receipt of a request from Landlord (i) such further instruments evidencing such subordination of this Lease to the lien of all such mortgages and deeds of trust as may reasonably be required by Landlord, and (ii) any commercially reasonable writing acknowledging and confirming Tenant's recognition of and attornment to any successor Landlord.

13.2 **Estoppel Certificate.** At any time and from time to time, Tenant shall, within twenty (20) days after written request by Landlord, execute, acknowledge and deliver to Landlord a certificate certifying: (a) that this Lease is unmodified and in full force and effect; (b) the Commencement Date and the Expiration Date determined in accordance with **Article 2** hereof and the date, if any, to which all rent and other sums payable hereunder have been paid; (c) that neither Landlord nor Tenant is in default under this Lease, except as to defaults specified in such certificate; and (d) such other matters as may be reasonably requested by Landlord or any actual or prospective purchaser or mortgage lender. Any such certificate may be relied upon by Landlord and any actual or prospective purchaser or mortgage lender of the Property or any part thereof. At any time and from time to time, Tenant shall, within twenty (20) days after written request by Landlord, deliver to Landlord copies of all current financial statements (including without limitation a balance sheet, an income statement, a cash flow statement and an accumulated retained earnings statement), annual reports, and other financial and operating information and data of Tenant prepared by Tenant in the course of Tenant's business. Unless available to the public, Landlord shall disclose such financial statements, annual reports and other information or data only to actual or prospective purchasers or mortgage lenders of the Property or any part thereof, and otherwise keep them confidential unless other disclosure is required by law.

ARTICLE 14
Miscellaneous

14.1 **Notices.** All requests, approvals, consents, notices and other communications given by Landlord or Tenant under this Lease shall be properly given only if made in writing and either deposited in the United States mail, postage prepaid, certified with return receipt requested, or delivered by hand (which may be through a messenger or recognized delivery, courier or air express service) and addressed to Landlord at the address of Landlord specified in the **Basic Lease Information** (or at such other place as Landlord may from time to time designate in a written notice to Tenant) or to Tenant at the address of Tenant specified in the **Basic Lease Information** (or at such other place as Tenant may from time to time designate in a written notice to Landlord). Such requests, approvals, consents, notices and other communications shall be effective on the date of receipt or refusal of receipt (evidenced by the certified mail receipt) if mailed or on the date of hand delivery if hand delivered. Any request, approval, consent, notice or other communication under this Lease may be given on behalf of a party by the attorney for such party. FedEx or similar nationally recognized commercially reasonable overnight carrier or delivery service providing receipted evidence of delivery shall be deemed proper delivery of notice hereunder upon the date of delivery as though and treated the same as hand delivery.

14.2 **General.** Time is of the essence of this Lease and each and all of its provisions. This Lease shall benefit and bind Landlord and Tenant and the permitted personal representatives, heirs, successors and assigns of Landlord and Tenant. If any provision of this Lease is determined to be illegal or unenforceable, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in full force and effect. Tenant shall not record this Lease or any memorandum or short form of it. This Lease shall be governed by and construed in accordance with the laws of the state in which the Property is located, being the State of Florida. All capitalized terms used but not defined in the body of the Lease shall have the same meaning given to such term in the **Basic Lease Information**.

14.3 **No Waiver.** The waiver by Landlord or Tenant of any breach of any covenant in this Lease shall not be deemed to be a waiver of any subsequent breach of the same or any other covenant in this Lease, nor shall any custom or practice which may grow up between Landlord and Tenant in the administration of this Lease be construed to waive or to lessen the right of Landlord or Tenant to insist upon the performance by Landlord or Tenant in strict accordance with this Lease. The subsequent acceptance of rent hereunder by Landlord or the payment of rent by Tenant shall not waive any preceding breach by Tenant of any covenant in this Lease, nor cure any Event of Default, nor waive any forfeiture of this Lease or unlawful detainer action, other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's or Tenant's knowledge of such preceding breach at the time of acceptance or payment of such rent.

14.4 **Attorneys' Fees.** If there is any legal action or proceeding between Landlord and Tenant to enforce this Lease or to protect or establish any right or remedy under this Lease, the unsuccessful party to such action or proceeding shall pay to the prevailing party all costs and expenses, including without limitation reasonable attorneys' fees and disbursements, incurred by such prevailing party in such action or proceeding and in any appeal in connection therewith, through and including without limitation any bankruptcy proceedings, and expressly excluding any such amounts incurred pre-suit (prior to filing of litigation, subject to Landlord's pre-suit recovery rights for breach, violation or default of Tenant as set out above in this Lease). If such prevailing party recovers a judgment in any such action, proceeding or appeal, all such costs, expenses and attorneys' fees and disbursements shall be included in and as a part of such judgment.

14.5 **Exhibits.** **Exhibit A** (Plan(s) Outlining the Premises and the Property), **Exhibit B** (Form of Memorandum Confirming Term), **Exhibit C** (Permitted Use of Hazardous Materials) and any other attachments specified in the **Basic Lease Information**, are attached to and made a part of this Lease and deemed incorporated herein as though fully set forth here.

14.6 **Broker(s).** Tenant warrants and represents to Landlord that Tenant has negotiated this Lease directly with the real estate broker(s) specified in the **Basic Lease Information** (if any) and has not authorized or employed, or acted by implication to authorize or to employ, any other real estate broker to act for Tenant in connection with this Lease.

14.7 **Waivers of Jury Trial and Certain Damages.** LANDLORD AND TENANT EACH HEREBY EXPRESSLY, IRREVOCABLY, FULLY AND FOREVER RELEASES, WAIVES AND RELINQUISHES ANY AND ALL RIGHT TO TRIAL BY JURY. TENANT HEREBY EXPRESSLY, IRREVOCABLY, FULLY AND FOREVER RELEASES, WAIVES AND RELINQUISHES ANY AND ALL RIGHT ANY AND ALL RIGHT TO RECEIVE PUNITIVE, INCIDENTAL, CONSEQUENTIAL, SPECIAL, STATUTORY, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF FUTURE REVENUE OR INCOME, LOSS OF BUSINESS REPUTATION OR OPPORTUNITY RELATING TO THE BREACH OR ALLEGED BREACH OF THIS LEASE, OR DIMINUTION OF VALUE OR ANY DAMAGES BASED ON ANY TYPE OF MULTIPLE, IN EACH CASE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT LANDLORD OR ITS AFFILIATES (OR ANY PAST, PRESENT OR FUTURE BOARD MEMBER, TRUSTEE, DIRECTOR, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, OR ADVISOR OF LANDLORD OR ITS AFFILIATES) HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE, FROM THE LANDLORD OR ITS AFFILIATES (OR ANY PAST, PRESENT OR FUTURE BOARD MEMBER, TRUSTEE, DIRECTOR, OFFICER, EMPLOYEE, AGENT, REPRESENTATIVE, OR ADVISOR OF LANDLORD OR ITS AFFILIATES) IN ANY CLAIM, DEMAND, ACTION, SUIT, PROCEEDING OR CAUSE OF ACTION IN WHICH LANDLORD AND TENANT ARE PARTIES, WHICH IN ANY WAY (DIRECTLY OR INDIRECTLY) ARISES OUT OF, RESULTS FROM OR RELATES TO ANY OF THE FOLLOWING, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER BASED ON CONTRACT OR TORT OR ANY OTHER LEGAL BASIS: THIS LEASE; ANY PAST, PRESENT OR FUTURE ACT, OMISSION, CONDUCT OR ACTIVITY WITH RESPECT TO THIS LEASE; ANY TRANSACTION, EVENT OR OCCURRENCE CONTEMPLATED BY THIS LEASE; THE PERFORMANCE OF ANY OBLIGATION OR THE EXERCISE OF ANY RIGHT UNDER THIS LEASE; OR THE ENFORCEMENT OF THIS LEASE. LANDLORD AND TENANT RESERVE THE RIGHT TO RECOVER ACTUAL OR COMPENSATORY DAMAGES, WITH INTEREST, ATTORNEYS' FEES, COSTS AND EXPENSES AS PROVIDED IN THIS LEASE, FOR ANY BREACH OF THIS LEASE.

14.8 **Force Majeure.** Each party shall be excused for the period or periods of delay in the performance of any of its obligations hereunder (except the payment of money) when delayed, hindered or prevented from so doing by any cause or causes beyond such party's reasonable control, which shall include, without limitation, all labor disputes, riots, civil commotion or insurrection, war or warlike operations, invasion, rebellion, military or usurped power, sabotage, acts of terrorism, governmental restrictions, regulations or controls, inability to obtain any materials, or services, fire or other casualties, acts of God or other matters constituting impossibility of performance under applicable law; provided a party's inability to secure financing or otherwise meet its monetary obligations such as paying rent or any other lack of funds or cash flow for any reason shall never in and of itself give rise to any excused periods of time by operation of this **Section 14.8.**

14.9 **Interpretation.** For purposes of this Lease: (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Lease as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Lease; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Lease shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.

14.10 **Counterparts.** This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Lease delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Lease so long as an original-ink (or so-called "wet-ink") signed physical counterpart is also physically delivered to the other party. Either party may copy this completed Lease for electronic storage in a non-editable format, at which time the paper form of this Lease may be destroyed by such party if it wishes, relying upon such rules as "best evidence" to put forth the electronic copy for purposes of proof and evidence. Each party agrees that following the electronic storage of this Lease, any hardcopy printout of that electronically stored information will also constitute an original of this Lease.

14.11 **Entire Agreement.** There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, offers, agreements and understandings, oral or written, if any, between Landlord and Tenant or displayed by Landlord to Tenant with respect to the subject matter of this Lease, the Premises or the Property. There are no commitments, representations or assurances between Landlord and Tenant or between any real estate broker and Tenant other than those expressly set forth in this Lease and all reliance with respect to any commitments, representations or assurances is solely upon commitments, representations and assurances expressly set forth in this Lease. This Lease may not be amended or modified in any respect whatsoever except by an agreement in writing signed by Landlord and Tenant.

14.12 **Guaranty.** The payment obligations under this Lease are guaranteed by the Guarantors identified in the Lease Guaranty Agreement at **Exhibit D** on the terms and conditions set forth in the Lease Guaranty Agreement.

[Signatures on Following Page]

Signature page to that certain Lease by and between Palm Coast Data LLC, a Florida limited liability company, as Tenant, and Commerce Blvd Holdings LLC, a Florida limited liability company, as Landlord, respecting 11 Commerce Boulevard, Palm Coast, Florida 32164

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the date specified in the **Basic Lease Information**.

TENANT:

Palm Coast Data LLC, a
Florida limited liability company

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

WITNESSES:

/s/ Kristine Lynch
First Witness for Tenant
[Sign above; print name: Kristine Lynch]

/s/ Eric Brody
Second Witness for Tenant
[Sign above; print name: Eric Brody]

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LANDLORD:

Commerce Blvd Holdings LLC, a
Florida limited liability company

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President

WITNESSES:

/s/ James M. McMonagle
First Witness for Landlord
[Sign above; print name: James M. McMonagle]

/s/ Adrienne Uleau
Second Witness for Landlord
[Sign above; print name: Adrienne Uleau]

EXHIBIT A

PLAN(S) OUTLINING THE PREMISES AND THE PROPERTY

ATTACHED AND MADE A PART HEREOF

The following is deemed incorporated onto the site plan or other sketch, image, LOD or drawing here pictured or pictured on any other attachment to this Lease: This Exhibit or Schedule is diagrammatic and is intended only for the purpose of indicating the approximate location of constructed areas comprising the property and/or approximate boundaries of areas and placement of certain inclusions therein. It does not in any way supersede any of Landlord's rights set forth in the Lease, including without limitation in respect of arrangements and/or locations of shared-use parts of the common areas and changes in such arrangements and/or locations, including without limitation parking areas; and Landlord expressly reserves the right to make changes therein or thereto in accordance with the Lease. It is not to be scaled; any measurements or distances shown or parking counts should be taken as approximate. Dimensions indicated (if any) are not exact nor to scale and in any case are approximate. It does not purport to show the exact or final location of columns, division walls or other required architectural, structural, mechanical or electrical elements.

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Exhibit A

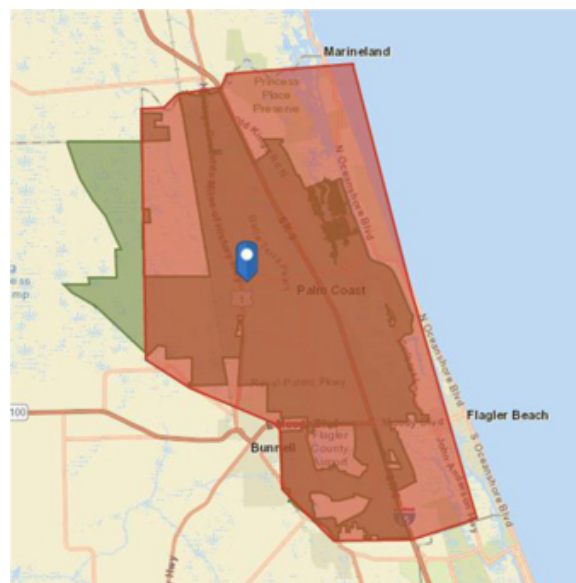


Exhibit A

EXHIBIT B
MEMORANDUM CONFIRMING TERM

THIS MEMORANDUM, made as of April 26, 2019 ("Effective Date"), is by and between Palm Coast Data LLC, a Florida limited liability company ("**Tenant**"), and Commerce Blvd Holdings LLC, a Florida limited liability company ("**Landlord**").

W I T N E S S E T H:

Recital of Facts:

Landlord and Tenant entered into that certain Lease (the "**Lease**") dated on the Effective Date above. Words defined in the Lease have the same meanings in this Memorandum.

NOW, THEREFORE, in consideration of the covenants in the Lease, Landlord and Tenant agree as follows:

1. Landlord and Tenant hereby confirm that:

(a) The Commencement Date under the Lease is the Effective Date, and the Expiration Date under the Lease is April 26, 2019 (as the Commencement Date) and April 30, 2029 (as the natural Expiration Date of the initial Term of the Lease); and

(b) The date on which Landlord delivered possession of the Premises to Tenant as required by the Lease, and Tenant's obligation to pay rent begins under the Lease is the same date as the Commencement Date.

2. Tenant hereby confirms that:

(a) All commitments, representations and assurances made to induce Tenant to enter into the Lease have been fully satisfied; and

(b) All improvements to the Property and in the Premises to be constructed or installed by Landlord have been completed and furnished in accordance with the Lease to the satisfaction of Tenant and Tenant has accepted and is in full and complete possession of the Premises.

Continues on the following page; balance of this page purposefully blank.

Exhibit B

3. This Memorandum shall be binding upon and inure to the benefit of Landlord and Tenant and their permitted successors and assigns under the Lease. The Lease is in full force and effect.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Memorandum as of the date first hereinabove written.

TENANT:

Palm Coast Data LLC, a
Florida limited liability company

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

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LANDLORD:

Commerce Blvd Holdings LLC, a
Florida limited liability company

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President

Exhibit B

EXHIBIT C

PERMITTED USE OF HAZARDOUS MATERIALS

Name of Hazardous Material
None

Maximum Amount Per Year
None

Balance of this page purposefully blank.

Exhibit C

EXHIBIT D

LEASE GUARANTY AGREEMENT

This LEASE GUARANTY AGREEMENT (this “**Agreement**”), dated as of April 26, 2019, is entered into by Studio Membership Services, LLC, a Delaware limited liability company (“**Buyer**”), Media Data Resources, LLC, a Delaware limited liability company and a wholly owned subsidiary of PCDH (“**Media Data**”), and FulCircle Media, LLC, a Delaware limited liability company and a wholly owned subsidiary of PCDLLC (“**FulCircle**” and, collectively with Buyer, PCDH and Media Data, the “**Guarantors**” and each, a “**Guarantor**”), for the benefit of Commerce Blvd Holdings LLC (“**Landlord**”), a Florida limited liability company and an affiliate of Palm Coast Data Holdco, Inc., a Delaware corporation (“**PCDH**”), and is agreed to and acknowledged by Landlord and Palm Coast Data LLC, a Delaware limited liability company (“**PCDLLC**”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Purchase Agreement (as defined below) if defined therein.

RECITALS:

WHEREAS, concurrently with the execution of this Agreement, PCDH and Buyer are entering into that certain Membership Interest Purchase Agreement, dated as of the Effective Date, by and between PCDH and Buyer (the “**Purchase Agreement**”), pursuant to which, among other things, PCDH has agreed to sell to Buyer, and Buyer has agreed to purchase from PCDH, all of the membership interests of PCDLLC and Media Data;

WHEREAS, in connection with the transactions contemplated by the Purchase Agreement, Landlord and PCDLLC are entering into the Industrial Lease (WH/OFC) (Triple Net), of even date herewith, by and between PCDLLC, as tenant, and Landlord, as landlord (the “**Lease Agreement**”); and

WHEREAS, as a material part of and as a condition to Landlord entering into the Lease Agreement, the Guarantors are executing and delivering this Agreement, which shall be attached as Exhibit D to the Lease Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantors, intending to be legally bound, agree as follows:

1. Definitions. The following terms have the meanings specified in this Section 1:

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Bankruptcy Event**” means the occurrence of any bankruptcy, insolvency, reorganization, liquidation, arrangement, assignment for the benefit of creditors, receivership, trusteeship or similar proceeding.

“**Obligations**” means any and all agreements, covenants, Indebtedness, liabilities and obligations of every kind and description of PCDLLC to Landlord under the Lease Agreement, whether such agreements, covenants, Indebtedness, liabilities and obligations are primary or secondary, direct or indirect, absolute or contingent, sole, joint or several, secured or unsecured, due or to become due, contractual or tortious, arising by operation of law, by overdraft or otherwise, or now or hereafter existing, including advances, principal, interest, fees, late fees, expenses, attorneys’ fees and costs or allocated fees and costs of Landlord’s or its Affiliates’ in-house legal counsel, that have been or may hereafter arise or be incurred.

2. **Guaranty of Obligations.** Each Guarantor hereby irrevocably, absolutely and unconditionally guarantees, jointly and severally, the full and prompt payment and performance when due of the Obligations.

3. **General Conditions.**

(a) This Agreement shall remain in full force and effect until all of the Obligations are indefeasibly paid in full and satisfied.

(b) This Agreement and the guaranty set forth herein shall continue to be effective or be reinstated, as the case may be, if at any time payment of any Obligations made by PCDLLC or any Guarantor to Landlord is rescinded, avoided, clawed back or rendered void as a preferential transfer, impermissible set-off, a fraudulent conveyance or must otherwise be returned (including upon the occurrence of a Bankruptcy Event affecting PCDLLC or any Guarantor), all as though such payment had not been made.

(c) This Agreement shall be a continuing and irrevocable guaranty, shall be a guaranty of performance and not of collection, and the liability of the Guarantors hereunder shall remain in full force and effect and shall in no way be affected, modified, or diminished by reason of (i) any modification or waiver of, or change in, any of the terms or conditions of the Lease Agreement; (ii) any Bankruptcy Event affecting PCDLLC or any Guarantor, whether or not notice thereof is given to the Guarantors; or (iii) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any one or more of the Guarantors hereunder. For the avoidance of doubt, nothing contained herein shall be deemed to limit the rights of, or defenses available to, Landlord under the Lease Agreement.

(d) The Guarantors hereby unconditionally waive promptness, diligence, notice of acceptance of this Agreement and any other notice with respect to this Agreement.

(e) The Guarantors agree to immediately pay Landlord on demand all fees and costs, including attorneys' fees, incurred by or on behalf of Landlord in enforcing the obligations of the Guarantors under this Agreement.

(f) The rights of Landlord under this Agreement are not conditional or contingent upon any requirement of, or attempt by, Landlord to exercise any of its rights under the Lease Agreement against PCDLLC or otherwise.

(g) Each Guarantor irrevocably waives any present or future right to which a Guarantor is or becomes entitled to be subrogated to Landlord's rights against a primary obligor or to seek contribution, reimbursement, indemnification, subrogation or the like from a primary obligor on account of this Agreement, or to assert any other claim or right of action against a primary obligor on account of, or arising under, or relating to this Agreement.

4. **Priority and Subordination.** Each Guarantor agrees that the Obligations of PCDLLC, and the guaranty obligations of each Guarantor hereunder, to Landlord, whether now existing or hereafter created, shall be superior to any claim that any Guarantor may now have or hereafter acquire against any other Guarantor, whether or not such other Guarantor becomes insolvent. Each Guarantor with a claim against another Guarantor at any time (the Guarantor with such a claim, a “**Creditor Guarantor**,” and the Guarantor owing obligations to such Creditor Guarantor, a “**Debtor Guarantor**”) hereby expressly subordinates each and every claim it may have against any Debtor Guarantor, upon any account whatsoever, to any claim that Landlord may now or hereafter have against such Debtor Guarantor. In the event of insolvency and consequent liquidation of the assets of a Debtor Guarantor, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of the Debtor Guarantor applicable to the payment of claims of both Landlord and one or more Creditor Guarantors shall be paid to Landlord first until all of the Obligations are indefeasibly satisfied. Each Guarantor does hereby assign to Landlord all claims which it may have or acquire against another Guarantor or against any assignee or trustee of a Guarantor in the bankruptcy of a Guarantor; provided, however, that such assignment shall be effective only for the purpose of assuring to Landlord full payment in legal tender of the Obligations. If Landlord so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations between Guarantors shall be marked with a legend that the same are subject to this Agreement and a copy shall be delivered to Landlord.

5. **No Impairment.** No Guarantor’s obligations to make payment in accordance with the terms of this Agreement shall be impaired, modified, changed, released or limited in any manner whatsoever by: (a) any impairment, modification, change, release or limitation of the Obligations or any primary obligor’s estate in bankruptcy or reorganization resulting from the operation of any present or future provision of the Bankruptcy Code, 11 U.S.C. §§ 101, *et seq.*, or other statute or from the decision of any court; (b) any insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding relating to a primary obligor’s or another Guarantor’s properties or creditors; (c) any presently existing or hereinafter enacted or made Law, ordinance, regulation, judicial decision or administrative decision of any type or nature, including any Law, ordinance, regulation, judicial decision or administrative decision which or otherwise impairs PCDLLC’s ability to perform its Obligations pursuant to the Lease Agreement, or any other Guarantor or obligor’s ability to perform hereunder; (d) the fact that any of the Obligations may become due or payable in or, in connection with, or by reason of, any agreement or transaction which may be invalid, irregular or unenforceable for any reason, or if a primary obligor or other Guarantor is a partnership, by the addition, withdrawal or death of any partner or any other change therein; or (e) by reason of any action whatsoever taken by Landlord (including a sale, lease, disposition, liquidation or other realization), which may be negligent, willful or otherwise in respect to any security in which Landlord may at any time have any interest or against any other party liable for all or any part of the Obligations as a primary obligor or as a guarantor.

6. **Representations and Warranties.** Each Guarantor, jointly and severally, hereby represents and warrants to Landlord, which representations and warranties shall survive the execution and delivery of this Agreement, that:

(a) Each Guarantor is a corporation or limited liability company, duly incorporated or organized, validly existing and in good standing under the Laws of its jurisdiction of organization and has all requisite organizational power and authority to own and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing in each jurisdiction where the ownership or operation of its properties or conduct of its business requires such qualification, except where the failure to be so qualified or in good standing, when taken together with all other such failures, will not prevent, materially delay or materially impair such Guarantor’s ability to consummate the transactions contemplated by this Agreement.

(b) Each Guarantor has all requisite organizational power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by each Guarantor and the consummation by each such Guarantor of this Agreement, have been duly and validly authorized and approved by such Guarantor’s member, managers or board of directors and no other action on the part of such Guarantor (or its stockholders or members) are necessary with respect to any such matter. This Agreement has been duly executed and delivered by each Guarantor and constitutes the valid, binding and enforceable obligations of each Guarantor, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors’ rights generally and general principles of equity.

(c) This Agreement has been duly authorized, executed and delivered by each Guarantor and such execution and delivery and the performance by such Guarantor of its obligations hereunder will not violate, in any material respects, any applicable provision of Law or judgment, order or regulation of any court or of any public or Governmental Authority or conflict with or constitute a breach of or a default under the organizational documents of such Guarantor or any agreement or instrument to which such Guarantor is a party or by such Guarantor or any of its property is bound.

7. **Miscellaneous.**

(a) **No Representations of Landlord.** NONE OF PCDH, LANDLORD OR ANY AFFILIATE OF THE FOREGOING OR ANY PERSON ON THEIR RESPECTIVE BEHALF HAS MADE OR MAKES ANY EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WHATSOEVER, EITHER ORAL OR WRITTEN, WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. EACH GUARANTOR ACKNOWLEDGES THAT, IN ENTERING INTO THIS AGREEMENT, IT HAS NOT RELIED UPON ANY REPRESENTATION OR WARRANTY MADE BY PCDH, LANDLORD OR ANY AFFILIATE OF THE FOREGOING OR ANY PERSON ON THEIR RESPECTIVE BEHALF.

(b) **Expenses.** Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

(c) **Notices.** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a .PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7(c)):

If to Landlord:	c/o AMREP Corporation. 620 West Germantown Pike, Suite 175 Plymouth Meeting, PA 19462 E-mail: cvitale@amrepcorp.com Attention: President
with a required copy to (which shall not constitute notice):	AMREP Corporation 620 West Germantown Pike, Suite 175 Plymouth Meeting, PA 19462 E-mail: jmcmonagle@amrepcorp.com Attention: Chief Financial Officer
with a required copy to (which shall not constitute notice):	Duane Morris LLP 222 Delaware Avenue, Suite 1600 Wilmington, Delaware 19801-1659 Facsimile:(302) 397-2455 E-mail: CMWinter@duanemorris.com Attention: Christopher M. Winter
If to any Guarantor:	Studio Membership Services, LLC 347 West 36 th Street, Unit 1300 New York, New York 10018 E-mail: liam@studio.vc Attention: Liam Lynch
with a required copy to (which shall not constitute notice):	Husch Blackwell LLP 555 East Wells Street, Suite 1900 Milwaukee, Wisconsin 53202-3819 Facsimile:(414) 223-5000 E-mail: philip.koutnik@huschblackwell.com Attention: Phil Koutnik

- (d) Interpretation. For purposes of this Agreement: (i) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (ii) the word “or” is not exclusive; and (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Sections mean the Sections of this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted.
- (e) Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.
- (f) Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

- (g) Entire Agreement. This Agreement constitutes the sole and entire agreement of the Guarantors with respect to the subject matter contained herein, and supersedes all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter.
- (h) Successors and Assigns. This Agreement shall be binding upon each Guarantor and their respective successors and permitted assigns. No Guarantor may assign its rights or obligations hereunder without the prior written consent of Landlord. No assignment shall relieve the assigning Guarantor of any of its obligations hereunder.
- (i) No Third Party Beneficiaries. This Agreement is for the sole benefit of Landlord and its successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.
- (j) Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each Guarantor and Landlord. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.
- (k) Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(i) This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction).

(ii) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF NEW YORK IN EACH CASE LOCATED IN THE CITY OF NEW YORK IN THE BOROUGH OF MANHATTAN, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(iii) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

- (l) Specific Performance. Each Guarantor agrees that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that Landlord shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.
- (m) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission (to which a signed PDF copy is attached) shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement. Any party may copy this completed Agreement for electronic storage in a non-editable format, at which time the paper form of this Agreement may be destroyed. Each party agrees that following the electronic storage of this Agreement, any hardcopy printout of that electronically stored information will constitute an original of this Agreement.

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IN WITNESS WHEREOF, the parties have caused this Lease Guaranty Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

GUARANTORS:

Studio Membership Services, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

Media Data Resources, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

FulCircle Media, LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

Acknowledged and Agreed by:

LANDLORD:

Commerce Blvd Holdings LLC

By: /s/ Christopher V. Vitale

Name: Christopher V. Vitale

Title: President

PCDLLC:

Palm Coast Data LLC

By: /s/ Liam Lynch

Name: Liam Lynch

Title: Manager

Exhibit D

FOR: AMREP Corporation
620 West Germantown Pike, Suite 175
Plymouth Meeting, Pennsylvania 19462

CONTACT: James McMonagle
Vice President and Chief Financial Officer
(610) 487-0904

AMREP SELLS ITS PALM COAST FULFILLMENT SERVICES BUSINESS

Plymouth Meeting, Pennsylvania, April 26, 2019 – AMREP Corporation (NYSE: AXR) (the “Company”) today reported that it has sold its Fulfillment Services business operated by Palm Coast Data to Studio Membership Services, LLC, a subsidiary of Irish Studio LLC. The closing of the sale occurred on April 26, 2019.

The buyer paid the Company \$1.0 million in cash on the closing and entered into two long-term triple net leases as tenant for the Company’s owned facilities in Palm Coast, Florida, which facilities aggregate approximately 204,000 square feet. The aggregate annual base rent for the ten year leases starts at \$1.9 million in the first year, subject to a one-month waiver of base rent during the first year, and escalates to \$2.5 million in the tenth year. Prior to the sale, Palm Coast Data distributed to the Company \$3.1 million of cash during the fourth quarter of fiscal year 2019, which ends on April 30, 2019.

“With the sale of the magazine subscription fulfillment business, AMREP has completed its exit from the media services business. We are now focused squarely on our real estate business to drive shareholder value,” said Edward B. Cloues, II, Chairman of the Company. “The cash we receive in connection with the transaction, including under the two leases, will help grow that business over the next several years.”

Additional details on the sale transaction are provided in the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on April 26, 2019.

About AMREP – AMREP Corporation, through its subsidiaries, is a major holder of land and leading developer of real estate in New Mexico.

Forward-Looking Statements – The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are “forward-looking”, including statements contained in this news release. All statements that express expectations, estimates, forecasts or projections are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, other written or oral statements, which constitute forward-looking statements, may be made by or on behalf of the Company. Words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks”, “estimates”, “projects”, “forecasts”, “may”, “should”, variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and contingencies that are difficult to predict. All forward-looking statements speak only as of the date of this news release or, in the case of any document incorporated by reference, the date of that document. All subsequent written and oral forward-looking statements attributable to the Company or any person acting on behalf of the Company are qualified by the cautionary statements in this section. Many of the factors that will determine the Company’s future results are beyond the ability of management to control or predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in or suggested by such forward-looking statements. The forward-looking statements contained in this news release include, but are not limited to, the use of the Company’s assets in the future and the expected focus of the Company in the future. The Company undertakes no obligation to update or publicly release any revisions to forward-looking statements to reflect events, circumstances or changes in expectations after the date of such forward-looking statement, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

AMREP Corporation
Unaudited Pro Forma Consolidated Financial Statements

On April 26, 2019, Palm Coast Data Holdco, Inc. (“Seller”), a wholly owned indirect subsidiary of AMREP Corporation (“AMREP”), entered into a membership interest purchase agreement (the “Purchase Agreement”) with Studio Membership Services, LLC (“Buyer”). The closing of the transactions contemplated by the Purchase Agreement (the “Sale Transaction”) occurred on April 26, 2019 (the “Closing Date”).

Pursuant to the Purchase Agreement, Buyer acquired AMREP’s fulfillment services business through the purchase from Seller of all of the membership interests (the “Membership Interests”) of Palm Coast Data LLC (“PCDLLC”) (which owns all of the membership interests of FulCircle Media, LLC) and Media Data Resources, LLC (PCDLLC, FulCircle Media, LLC and Media Data Resources, LLC are collectively referred to herein as the “Company Group”).

The purchase price for the Membership Interests was \$1.0 million, which was paid by Buyer to Seller on the Closing Date. In addition, during the period from February 1, 2019 through the Closing Date, substantially all of the intercompany amounts of the Company Group due to or from AMREP and its direct and indirect subsidiaries (not including the Company Group) were eliminated through offsets, releases and capital contributions. Buyer and Seller provided customary indemnifications under the Purchase Agreement and provided each other with customary representations, warranties and covenants.

The following unaudited pro forma consolidated financial statements give effect to the Sale Transaction, the receipt of net proceeds from Buyer to Seller, and the other assumptions and adjustments described in the accompanying notes to the unaudited pro forma consolidated financial statements. These adjustments are based upon information and assumptions available at the time of the filing of this financial information on Form 8-K.

The unaudited pro forma financial information is based on financial statements prepared in accordance with U.S. generally accepted accounting principles, which are subject to change and interpretation. The unaudited pro forma consolidated financial statements were based on and derived from the Company’s historical consolidated financial statements, adjusted for those amounts which were determined to be directly attributable to the Sale Transaction, factually supportable, and with respect to the Unaudited Pro Forma Consolidated Statements of Operations, expected to have a continuing impact on the consolidated results. In the opinion of management, all necessary adjustments to the unaudited pro forma consolidated financial information have been made. Actual adjustments, however, may differ materially from the information presented.

The unaudited pro forma financial information is based upon available information and assumptions that management considers to be reasonable, and such assumptions have been made solely for purposes of developing such unaudited pro forma financial information for illustrative purposes in compliance with the disclosure requirements of the Securities and Exchange Commission (“SEC”). The unaudited pro forma financial information is not necessarily indicative of the financial position or results of operations that would have occurred had the Sale Transaction occurred on the dates indicated. In addition, these unaudited pro forma consolidated financial statements should not be considered indicative of the future financial performance and results of operations of the Company.

The unaudited pro forma consolidated balance sheet as of January 31, 2019 gives effect to the Sale Transaction and adjustments as if it occurred on the date of the balance sheet.

The unaudited pro forma consolidated statements of operations for the fiscal year ended April 30, 2018 and the nine months ended January 31, 2019 give effect to the Sale Transaction and adjustments as if they had occurred on May 1, 2017 and carried forward through the latest period presented.

The unaudited pro forma consolidated financial statements should be read in conjunction with the Company's historical audited consolidated financial statements and related notes thereto included in its Annual Report on Form 10-K for the year ended April 30, 2018, which was filed with the SEC on July 20, 2018, and its Quarterly Report on Form 10-Q for the nine months ended January 31, 2019, which was filed with the SEC on March 13, 2019.

The unaudited consolidated pro forma financial statements are prepared in accordance with Article 11 of Regulation S-X.

AMREP Corporation
Unaudited Pro Forma Consolidated Balance Sheet
As of January 31, 2019
(Amounts in thousands, except share amounts)

	<u>As Reported</u>	<u>Sale of Company Group</u>	<u>Proceeds from Sale</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 14,233	\$ 1,000[a]	\$ 800[b]	\$ -	\$ 14,033
Receivables, net	5,661	5,456[a]	5,816[c]	-	6,021
Real estate inventory	58,749	-	-	-	58,749
Investment assets	9,706	-	-	-	9,706
Property, plant and equipment, net	8,965	1,241[a]	-	-	7,724
Other assets, net	2,347	1,819[a]	-	(18)[e]	510
Taxes receivable, net	3	-	-	-	3
Deferred income taxes, net	4,846	1,332[a]	-	-	3,514
TOTAL ASSETS	\$ 104,510	\$ 10,848	\$ 6,616	\$ (18)	\$ 100,260
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
<u>LIABILITIES:</u>					
Accounts payable and accrued expenses	\$ 7,019	\$ 4,615[a]	\$ -	\$ -	\$ 2,404
Notes payable, net	2,554	-	-	-	2,554
Other liabilities	37	37[a]	-	-	-
Accrued pension costs	6,929	-	-	-	6,929
TOTAL LIABILITIES	16,539	4,652	-	-	11,887
<u>SHAREHOLDERS' EQUITY:</u>					
Common stock	835	-	-	-	835
Capital contributed in excess of par value	51,205	-	-	-	51,205
Retained earnings	47,609	6,196[a]	6,616[d]	(18)[e]	48,011
Accumulated other comprehensive loss, net	(7,463)	-	-	-	(7,463)
Treasury stock, at cost	(4,215)	-	-	-	(4,215)
TOTAL SHAREHOLDERS' EQUITY	87,971	6,196	6,616	(18)	88,373
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 104,510	\$ 10,848	\$ 6,616	\$ (18)	\$ 100,260

See accompanying notes to these unaudited pro forma consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Unaudited Pro Forma Consolidated Statement of Operations
Nine Months Ended January 31, 2019
(Amounts in thousands, except per share amounts)

	<u>As Reported</u>	<u>Sale of Company Group</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
REVENUES:				
Fulfillment services	\$ 21,302	\$ 21,302[f]	\$ -	\$ -
Real estate land sales	8,924	-	-	8,924
Other	437	-	923[g]	1,360
	<u>30,663</u>	<u>21,302</u>	<u>923</u>	<u>10,284</u>
COSTS AND EXPENSES:				
Real estate land sales	7,855	-	-	7,855
Operating and selling expenses:				
Fulfillment services	18,480	18,166[f]	(314)[h]	-
Real estate	779	-	-	779
General and administrative expenses:				
Fulfillment services	1,026	1,026[f]	-	-
Real estate operations	415	-	-	415
Corporate operations	2,289	-	314[h]	2,603
Interest expense	20	2[f]	-	18
	<u>30,864</u>	<u>19,194</u>	<u>-</u>	<u>11,670</u>
(Loss) income before income taxes	(201)	2,108[f]	923	(1,386)
(Benefit) provision for income taxes	(285)	(640)[f]	220[i]	574
Net income (loss)	<u>\$ 84</u>	<u>\$ 2,747</u>	<u>\$ 703</u>	<u>\$ (1,961)</u>
Earnings (loss) per share – basic and diluted	<u>\$ 0.01</u>			<u>\$ (0.24)</u>
Weighted average number of common shares outstanding – basic	<u>8,095</u>		<u>4[j]</u>	<u>8,099</u>
Weighted average number of common shares outstanding – diluted	<u>8,140</u>			<u>8,140</u>

See accompanying notes to these unaudited pro forma consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Unaudited Pro Forma Consolidated Statement of Operations
Year ended April 30, 2018
(Amounts in thousands, except per share amounts)

	<u>As Reported</u>	<u>Sale of Company Group</u>	<u>Pro Forma Adjustments</u>	<u>Pro Forma</u>
REVENUES:				
Fulfillment services	\$ 29,441	\$ 29,441[f]	\$ -	\$ -
Real estate land sales	8,439	-	-	8,439
Other	2,298	1,810[f]	1,103[g]	1,591
	<u>40,178</u>	<u>31,251</u>	<u>1,103</u>	<u>10,030</u>
COSTS AND EXPENSES:				
Real estate land sales	6,061	-	-	6,061
Operating and selling expenses:				
Fulfillment services	24,016	23,595[f]	(421)[h]	-
Real estate	1,652	-	-	1,652
General and administrative expenses:				
Fulfillment services	1,306	1,306[f]	-	-
Real estate operations	578	-	-	578
Corporate operations	3,052	-	421[h]	3,473
Interest expense	57	52[f]	-	5
	<u>36,722</u>	<u>24,953</u>	<u>-</u>	<u>11,769</u>
Income (loss) before income taxes	3,456	6,298[f]	1,103	(1,739)
Provision for income taxes	3,218	3,179[f]	356[i]	395
Net income (loss)	<u>\$ 238</u>	<u>\$ 3,119</u>	<u>\$ 747</u>	<u>\$ (2,134)</u>
Earnings (loss) per share – basic and diluted	<u>\$ 0.03</u>			<u>\$ (0.26)</u>
Weighted average number of common shares outstanding – basic	<u>8,073</u>		<u>2[j]</u>	<u>8,075</u>
Weighted average number of common shares outstanding – diluted	<u>8,104</u>			<u>8,104</u>

See accompanying notes to these unaudited pro forma consolidated financial statements

AMREP CORPORATION AND SUBSIDIARIES
Notes to Unaudited Pro Forma Consolidated Financial Statements

1. Basis of Presentation

The unaudited pro forma consolidated statement of operations of AMREP Corporation (“AMREP” or the “Company”) for the year ended April 30, 2018 was derived from the historical audited consolidated financial statements for the year ended April 30, 2018 included in the Company’s Annual Report on Form 10-K for the year ended April 30, 2018, which was filed with the Securities and Exchange Commission (“SEC”) on July 20, 2018. The unaudited pro forma consolidated statement of operations for the nine months ended January 31, 2019 and the unaudited pro forma consolidated balance sheet as of January 31, 2019 were derived from the historical unaudited consolidated financial statements included in the Company’s Quarterly Report on Form 10-Q for the nine months ended January 31, 2019, which was filed with the SEC on March 13, 2019.

2. Sale of the Fulfillment Services Business

On April 26, 2019, Palm Coast Data Holdco, Inc. (“Seller”), a wholly owned indirect subsidiary of AMREP, entered into a membership interest purchase agreement (the “Purchase Agreement”) with Studio Membership Services, LLC (“Buyer”). The closing of the transactions contemplated by the Purchase Agreement (the “Sale Transaction”) occurred on April 26, 2019 (the “Closing Date”).

Pursuant to the Purchase Agreement, Buyer acquired AMREP’s fulfillment services business through the purchase from Seller of all the membership interests (the “Membership Interests”) of Palm Coast Data LLC (“PCDLLC”) (which owns all of the membership interests of FulCircle Media, LLC) and Media Data Resources, LLC (PCDLLC, FulCircle Media, LLC and Media Data Resources, LLC are collectively referred to herein as the “Company Group”).

The purchase price for the Membership Interest was \$1.0 million, which was paid by Buyer to Seller on the Closing Date. In addition, during the period from February 1, 2019 through the Closing Date, substantially all of the intercompany amounts of the Company Group due to or from AMREP and its direct and indirect subsidiaries (not including the Company Group) were eliminated through offsets, releases and capital contributions. Buyer and Seller provided customary indemnifications under the Purchase Agreement and provided each other with customary representations, warranties and covenants.

Estimated external transaction costs directly attributable to the transaction consisting of legal, tax, accounting and other professional fees are approximately \$200,000; and the net book value of assets being transferred in the Sale Transaction are estimated to be approximately \$6.2 million as of January 31, 2019. The resulting pre-tax loss on its financial statements as a result of the Sale Transaction in the fourth quarter of fiscal year 2019 is estimated to be approximately \$1.0 million. The final gain related to the Sale Transaction is expected to be included in the footnotes that accompany the audited financial statements of AMREP’s Form 10-K for the year ended April 30, 2019.

As a result of a change-in-control under the Company’s 2016 Equity Compensation Plan, acceleration of share-based compensation expense for 4,700 unvested restricted share awards is approximately \$18,000.

3. Pro Forma Adjustments

The unaudited pro forma consolidated balance sheet as of January 31, 2019 reflects the following adjustments:

- (a) Represents unaudited amounts of the Company Group assets and liabilities which were sold to Buyer as if the Sale Transaction had occurred on January 31, 2019.
- (b) Reflects the net proceeds expected to be received at closing from the Sale Transaction. The sale price of \$1.0 million has been decreased by approximately \$200,000 for estimated external transaction expenses assumed to be paid at closing.
- (c) In connection with the Sale Transaction, the Company Group entered into two triple net lease agreements, each dated as of the Closing Date (together, the "Lease Agreements"), pursuant to which the Company Group has agreed to lease (1) from Two Commerce LLC, a subsidiary of AMREP, a 61,000 square foot facility located in Palm Coast, Florida, and (2) from Commerce Blvd Holdings, LLC ("CBH"), a subsidiary of AMREP, an approximately 143,000 square foot facility in Palm Coast, Florida. The \$5.8 million represents the deferred purchase price receivable for the value of future lease payments in excess of market related to the Lease Agreements that is expected to be received by Seller from the Company Group and deemed consideration for the Sale Transaction.
- (d) Represents (1) the net proceeds in (b) above and the (2) the deferred purchase price receivable in (c) above.
- (e) Represents \$18,000 of share-based compensation expense for one employee triggered by a change in control for 4,700 unvested restricted share awards existing at January 31, 2019.

The unaudited pro forma consolidated statements of operations for the year ended April 30, 2018 and the nine months ended January 31, 2019, reflect the following adjustments:

- (f) The elimination of operating results of the Company Group in the unaudited consolidated statements of operations for AMREP for the year ended April 30, 2018 and the nine months ended January 31, 2019, as if the Sale Transaction had occurred on May 1, 2017.
 - (g) Represents the income portion of the payments related to the Lease Agreements that are expected to be received by Seller from the Company Group for the periods indicated.
 - (h) Represents the depreciation expense of CBH previously included in the Company Group for financial reporting purposes and to be included in the future general and administrative expenses of AMREP's corporate operations.
 - (i) Represents the provision for federal and state income taxes estimated using the applicable statutory rates of AMREP and its subsidiaries calculated on a jurisdictional basis as a result of (g) and (i) above.
 - (j) Reflects the incremental weighted-average number of shares due to the assumed acceleration of unvested restricted share awards during the year ended April 30, 2018 and the nine months ended January 31, 2019, as if the Sale Transaction occurred on May 1, 2017.
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