



AGENDA

Hardee County Economic Development Council Hardee County Industrial Development Authority

Regular Meeting, Board of County Commissioners, 412 West Orange Street, Wauchula, Florida

11/8/2013 8:30 A.M

Board members

Vanessa Hernandez, Chairwoman | Russ Melendy, Vice Chairman | Mike Prescott | Diana Youmans | Donald Samuels | John O'Neall | Jim See | Dottie Conerly | Doug Jensen | Lory Durrance | Horst Witschonke | Gene Davis

	Item	Presenter
Item 1	Call to order	Vanessa Hernandez
Item 2	Approval of agenda and minutes	Vanessa Hernandez
Item 3	Hunter Engineering- Proposal to provide civil engineering services for Florikan	Bill Lambert
Item 4	USF Performance Report- Acknowledgment of Report	Bill Lambert
Item 5	Florikan contract-Approval and authorization to sign	Bill Lambert
Item 6	Budget Amendments for FYE 2013	Wicks, Brown
Item 7	Hardee County Commerce Park Expansion-	Bill Lambert
Item 8	Continuum Labs	Casey Dickson
Item 9	Director's Report -Incubator -JDC Phosphates -PFMan -Rapid Systems	Bill Lambert
Item 10	Financial Report	Sarah Pelham

	Item	Presenter
Item 11	Announcements/Other Business/Public Comment	Vanessa Hernandez
Item 12	Adjournment	Vanessa Hernandez

Hardee County Economic Development Council/Industrial Development Authority
Regular Meeting Minutes
October 15, 2013
Tech River

Vanessa Hernandez- Chair-P	Rick Justice-A John	Donald Samuels-P
Russ Melendy- Vice Chair-P	O'Neai-P Michael	Horst Witschonke-P
Dottie Conerly-P	Prescott-P Gene	Lory Durrance-P
Jim See-P	Davis-P	Diana Youmans-P
Doug Jensen-P		

The meeting was called to order at 9:00am.

Visiting: Benny Albritton, Travis Bond, Robert Cole, Michael Flowers, Doug Knight, Kenny Lambert, Marie Lambert, David Noel, Henry Kuhlman, Trey Flemmer, Terry Atchley, Patrick Shanley, Veronica Hurst, Danny Weeks, Donna Doubleday, Randy Dey, Dustin Jurman, Steven Southwell and Denise Hamilton.

County Attorney: Ken Evers

County Commissioners: Mike Thompson, Grady Johnson Sue Birge and Colon Lambert

Press: Michael Kelly and Jim Kelly

Staff: Bill Lambert, Sarah Pelham, Kristi Schierling, Krystin Chapman and Casey Dickson (Chamber of Commerce Executive Director)

Agenda: Mr. Henry Kuhlman had requested to be added to the agenda to discuss the removal of the trespass order against him. Horst Witschonke made a motion and it was seconded by Donald Samuels to amend the agenda to add the trespass item. Vote was 10-2. Motion was not passed by the majority.

Minutes: Gene Davis made a motion and was seconded by Russ Melendy to approve the minutes as printed. Motion passed unanimously.

Election of Officers

Attorney Evers opened the floor for nominations.

Mike Prescott made a motion and it was seconded by Doug Jensen for Vanessa Hernandez to be Chair. Motion passed unanimously.

John O'Neal made a motion and it was seconded by Dottie Conerly for Mike Prescott to be the Vice Chair. Mike Prescott declined the nomination.

Horst Witschonke made a motion and was seconded by John O'Neal to nominate Horst Witschonke as Vice Chair.

Mike Prescott made a motion and was seconded by Lory Durrance to nominate Doug Jensen as Vice Chair.

Doug Jensen made a motion and was seconded by Gene Davis to nominate Russ Melendy as Vice Chair. A ballot vote was done to determine between the three nominees, who the Vice Chair would be.

The results were:

Horst Witschonke 1 vote

Doug Jensen – 3 votes

Russ Melendy -8 votes

Russ Melendy is the new Vice Chair.

Approval of meeting dates with new meeting time

Director Lambert spoke to the Board about changing our advertising of the meeting dates from the Calendar Year to our Fiscal Year. The new advertisement would be for the months of October-September. Director Lambert also felt that it would be best for us to move our meeting time from 9am to 8:30am since our meetings are going into the lunch hour. The meetings would still be held at the Board of County Commissioners office.

Doug Jensen made a motion and was seconded by Gene Davis to authorize the new advertisement with the new time. Horst Witschonke voted no. Motion passed.

Hardee Lakes Update

Danny Weeks was here before the Board to give an update on the Hardee Lakes project. The campsites are available and are waiting on the permit to get the water there. Electric is being worked on. The breaking of the bathroom foundation is being done today. Mr. Weeks also let the Board know that they are looking at hiring another staff person to work out there. Roughly \$120K is left of the grant money.

Prayer Resolution-Authorization for Chair to sign

The prayer resolution that the BOCC uses has been amended to have it reflect the IDA.

Jim See made a motion and was seconded by Gene Davis to approve the resolution and authorize Chair to sign. Motion passed unanimously.

PFMan update

Veronica Hurst, COO, of PFMan was here today to give an update to the Board. The Genset operations are going well. Dyno Room equipment and the CNC machines will be arriving next month. Veronica Hurst has been talking with members of the film industry about changing their gensets to become greener. PFMan has also been talking with other companies and the possibility of locating to Hardee County.

RFQ for Agent Services

Director Lambert has asked the Board for permission to do a RFQ for Agent Services. The EDO office has determined that it would be best to hire a company to manage all of our insurance portfolios.

Doug Jensen made a motion and Diana Youmans seconded to allow staff to advertise for RFQ for Agent Services and come back to the Board with the proposals. Horst Witschonke voted no. Motion passed.

Florikan

Director Lambert included in the agenda packet a final set of negotiated points that we will put into the contract related to the construction and lease of the Florikan building. If the Board is fine with this criteria, Director Lambert will move forward with the contract and have the Chair sign it.

Donald Samuels made a motion and was seconded by Russ Melendy to go ahead with the contract relative to the points presented and will be brought back before the Board for approval. Horst Witschonke voted no. Motion passed.

Marketing

Krystin Chapman announced to the Board that she had chosen Marketing Alliance to do our website and logo. The contract has been included in the agenda packet and the total amount of the contract is \$19,950.

Mike Prescott made a motion and was seconded by Diana Youmans to approve the contract. Motion passed unanimously.

Sarah Pelham went before the Board seeking approval to increase the marketing line item of the budget by \$7000.00 by transferring money from the General Fund. This would give Krystin Chapman a full budget amount to use for the Fiscal Year.

Board members thought it would be best to leave the budget as is and have Krystin Chapman or Sarah Pelham come back when the funds would be needed.

Doug Jensen made a motion and was seconded by Donald Samuels to not approve the transfer of funds for the marketing line item. Motion passed unanimously.

Hardee Broadband project

Before any discussion took place, Lory Durrance and Jim See abstained. The Bill of Sale was attached in the agenda. There was a minor change related to the signature section. Both the IDA attorney (Ken Evers) and Rapid Systems attorney (Steven Southwell) felt that Rapid Systems did not need to sign the Bill of Sale. In Attorney Evers' opinion, the UCC filings are not valid on equipment owned by the IDA. That is not part of the Bill of Sale.

Doug Jensen made a motion and was seconded by John O'Neal to authorize the Chair to sign the Bill of Sale with the Rapid Systems signature area removed. Motion passed unanimously.

EDA grant approvals-Authorization for Chair to sign

The EDA award agreements for the EDC funding and the Incubator had been prepared and ready for the IDA Chair to sign. Board members asked if the contract had been reviewed by Attorney Evers. It had not been. Attorney Evers stated that the EDA uses a standard template for all grant awards with just the amounts and recipient changing depending on the project.

Attorney Evers reviewed the contracts during the break and let the Board know that he is comfortable with both contracts.

Doug Jensen made a motion and was seconded by Donald Samuels giving authorization to the Chair to sign both EDA grant award agreements. Motion passed unanimously.

Review and Authorization of purchase contract for the Incubator/Accelerator property

An offer of \$510K has been made on the building. The bank has accepted our offer and has sent a purchase contract for Board review and authorization. An appraisal will be done on the building and we will purchase the building at the lowest price. That will either be the appraised value or the offer of \$510K. A deposit of \$25K will be required. We will have 60 days for due diligence and we will be able to have our deposit refunded if it is done so within those 60 days. Everything will be subject to IDA Board approval.

John O'Neal made a motion and was seconded by Dottie Conerly to authorize Director Lambert to enter into the contract and fund the deposit. Motion passed unanimously.

Continuum Labs

Casey Dickson went over the Year End Review. The grant expired 9/30/2013. At the end of the review, there are three recommendations for the Board regarding funding. The Board may also come up with their own solution or combine some of the recommendations. Travis Bond did a brief update. There are now 15 employees located at Tech River. Five of them were hired last month. Mr. Bond has also been working with two specialty hospitals and a national payer. An audit will be done and it may take between 90-120 days to complete.

Of the original \$7.25 million that was awarded, \$990,881.14 is left.

Gene Davis made a motion and was seconded by Doug Jensen to extend the contract by 3 months, approving the current draw request, funding the remaining balance of the \$7.25 million over the ensuing next 2 months, conduct an audit of the full \$7.25 million. Donald Samuels and Horst Witschonke voted no. Motion passed.

Financial Report

Sarah Pelham went to the Board for permission to open a new bank account for the Incubator. All transactions having to do with the Incubator will be done through this new account.

Doug Jensen made a motion and was seconded by Dottie Conerly to authorize staff to open a new account for the Incubator. Motion passed unanimously.

Sarah Pelham also asked the Board for authorization to transfer money from the General Fund to the new Incubator account. The amount being requested to transfer is \$ 88,300. This will be for the deposit on the building and Peace River Paddles draw request, if it is approved.

Dottie Conerly made a motion and was seconded by Jim See to authorize the transfer of \$88,300 from the General Fund to the Incubator account. Motion passed unanimously.

Sarah Pelham reviewed the draw request from Peace River Paddle Sports (Trey Flemmer) with the Board. He is submitting for \$63,300. This amount is for his initial startup. Sarah Pelham is seeking approval for the draw request template as well that will be used by Peace River Paddle Sports and Cantu Apiaries when they submit their draw requests.

Donald Samuels made a motion and was seconded by Horst Witschonke to approve the draw request from Peace River Paddle Sports and also approved the draw request template to be used for the draw requests. Motion passed unanimously.

Sarah Pelham reviewed the EDC and IDA financials from the previous month.

Donald Samuels made a motion and was seconded by Horst Witschonke to approve both sets of financials.

Lory Durrance made a motion and was seconded by Gene Davis to adjourn the meeting. Motion passed unanimously.

Meeting was adjourned at 1:39pm.



October 31, 2013

Hardee County EDC / IDA
Hardee County Chamber of Commerce
Attn.: Mr. Bill Lambert, Director
107 East Main Street
Wauchula, FL 33873

**Subject: Proposal For Professional Civil Engineering Services
Florikan Development - Hardee County Commercial Park (HCCP)
Section 29, Township 33S, Range 25E**

Dear Bill:

We are pleased to have the opportunity to assist you in the design and permitting of the referenced project. It is understood that the proposed improvements will be developed on multiple lots within the existing park and consist of: a one-story, approximately 90,000 square foot building, access drive(s) from Commerce Court, pavement/parking facilities, utility servicing (water and sanitary) and associated stormwater conveyance system.

Hunter Engineering (HEI) has familiarized itself with the specific parameters associated with the site and the components of this proposal are based upon our preliminary site layout plan and recent discussions with you.

We have prepared a basic service agreement which includes a scope of work defining the steps we would take to design and permit this project. The basic elements of the Agreement are as follows:

Scope of Work:

1. Hunter Engineering, Inc. (HEI) will utilize boundary and topographic survey information as prepared by others within this contract.
2. Using the survey information, a preliminary site layout plan will be prepared showing the building footprint, parking and drive areas. This plan will be reviewed with Hardee County EDC/IDA (hereinafter referred to as Client) and any changes will be discussed and agreed upon prior to developing detailed construction drawings.
3. Two (2) coordination (i.e., initial concept and final review) meetings will be conducted with the Client and any other affected parties.
4. HEI will prepare detailed site related construction drawings suitable to obtain all necessary permits and suitable to bid and construct the proposed project.

Anticipated permits/approvals include the following:

- Hardee County Site Development Plan (SDP)/Site Construction Plan (SCP) Approval- for local government approval.
 - Southwest Florida Water Management District (SWFWMD)- for the Environmental Resource Permit associated with the grading and construction permit.
 - Florida Dept. of Environmental Protection (FDEP)- for the NPDES Stormwater Pollution Prevention plan.
 - Project close-out and full certifications for the Hardee County EDC/IDA Office and other appropriate agencies.
5. HEI will maintain close, timely communication and coordination with the Client and other affected parties.

Examples of Excluded Items:

1. Permit Fees – The Client shall be responsible for all necessary permit fees.
2. Soil borings and/or geotechnical investigations and reports.
3. Flood studies.
4. Land Use and/or zoning matters.
5. Traffic studies.
6. Offsite roadway improvements.
7. Offsite utility improvements.
8. As-Built surveys.

Compensation:

Topographic Surveying Services: (Survey costs are based on topographic surveying of 3 lots and will be adjusted lower if fewer lots are required)	\$ 4,400.00
<u>Civil Engineering Services:</u>	<u>\$15,250.00</u>
Total Compensation:	\$19,650,00

(Note: Compensation amounts are Lump Sum and it is recognized that items termed as "reimbursable" (i.e., mileage, postage, etc., are included in this proposal pricing.)

We propose the following schedule for payment:

Upon completion of Topographic Survey	\$ 4,400.00
Upon approval of preliminary plan	\$ 3,050.00
Upon submittal of agency applications (Prorated)	\$ 9,150.00
Upon receipt of permits/approvals (Prorated)	\$ 2,550.00
Certify and Submit As-Built drawings	\$ 500.00
Total	\$19,650,00

Hardee County EDCIIDA
Mr. Bill Lambert
October 31, 2013
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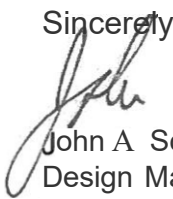
Additional Professional Services:

If additional professional services are desired beyond those outlined in the Scope of Work, we will submit an addendum to this Agreement describing the revised Scope of Work and adjusted compensation schedule.

If you agree with the proposed arrangement, please sign below in the appropriate space and return one copy to our office.

We are looking forward to working with you on this important project. Please call me at 863-676-7770 (Office) or e-mail JohnS@HunterEngineeringInc.com if you have any questions.

Sincerely



John A. Schneider Civil
Design Manager Hunter
Engineering, Inc.

Approved and accepted this _____ day of _____, 2013.

Printed Name of Client

Signature of Client

COMMERCIAL LEASE

This lease is made and executed in duplicate in the City of Wauchula, County of Hardee, State of Florida, by and between the **HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public agency organized under the laws of the State of Florida**, whose address is 107 East Main Street, Wauchula, Florida 33873 (hereinafter referred to as "Lessor"), and **Florikan E.S.A., LLC ("Fiorikan")**, whose street address is _____, and whose mailing address is _____ (hereinafter referred to as "Lessee").

Section I Description of Premises; Term; Use

Lessor leases to Lessee, for a term of ten (10) years as defined in Section II below, , the premises located at the Hardee County Commerce Park, County of Hardee, State of Florida, and described as follows:

for use by Lessee for research, manufacture and distribution of controlled released fertilizers. The premises shall be used for no other purpose other than that specified in this lease without prior written approval from the Lessor.

The term of this lease shall commence upon Lessee's taking possession, which is expected to occur in the first quarter of 2016. Upon taking possession, the parties shall acknowledge in writing the date of commencement of the term under this agreement.

Upon execution of this agreement, Lessee shall deposit with Lessor (to be deposited into a separate interest bearing account owned and controlled by Lessor) the sum of One hundred thousand dollars (\$100,000). This deposit, together with any and all accrued interest thereon, shall be forfeited to Lessor in the event Lessee fails to perform its obligations under this agreement.

Lessee shall comply with all the sanitary laws, ordinances, rules, orders of appropriate governmental authorities, and commerce park

restrictions and covenants, affecting the occupancy and operation of the premises, and the curtilage thereto, during the term of this lease.

Section II

Rent

Lessee shall pay to Lessor as rent for the premises an amount equal to seven (7%) annually of the IDA's gross investment, on a monthly basis together with sales tax. The IDA's total investment will be no less than \$3,500,000 and not greater than \$4,000,000. For example, if the IDA's total investment in the premises is \$3,500,000, the monthly rent payable will be \$20,416 plus sales tax due. The first payment to be due the 1st day of month following Lessee's taking possession of the premises. However, Lessee may defer monthly rent payment for a period not to exceed thirty six (36) months to the 1st day of the thirty seventh (37th) month following taking possession, in which case such deferred rent shall accrue with an additional three percent (3%) of the total deferred monthly rent with payments amortized over the remainder of the lease term rental payments.

Lessee shall have the right to prepay rent at any time. In the event Lessee exercises this right to prepay rent, the prepaid rent shall be assigned its present day value, together with interest rate based on current ten (10) year treasury note.

Additionally, Lessee agrees to reimburse the Lessor the ad valorem taxes and property casualty insurance paid from the issuance of the certificate of occupancy through date it takes possession.

IDA agrees to credit portions or all of the lease payments, minus ad valorem taxes and any property insurance obligations, against purchase price subject to the following:

Lessor hereby grants unto Lessee an option to buy the leased premises, including all improvements contained on the premises at any point during an initial 10 year lease term, and any extensions or renewals thereof. Lessor agrees that the option purchase price for the leased premises (including all improvements contained on the premises) will be equal to the IDA's total gross investment in the development of the premises (anticipated to be \$3,500,000 - \$4,000,000) or the appraised value at the time of exercise of option, whichever is less. Lessor agrees that if Lessee elects to exercise the option contemplated in this section, Lessee shall be credited a percentage of all lease payments made (reduced by property taxes and insurance paid by IDA) as set forth immediately below.

1. Fifty percent (50%) of all rent payments paid by Lessee **shall** be applied at such time as Lessee creates, fills and maintains for each annual period twelve (12) full-time positions in Hardee County;

2. Seventy-five percent (75%) of all rent payment paid by Lessee shall be applied at such time as Lessee creates, fills and maintains for each annual period eighteen (18) full-time jobs in [Hardee County;

3. One Hundred percent (100%) of all rent payment paid by Lessee shall be applied at such time as Lessee creates, fills and maintains for each annual period twenty-four (24) full-time jobs in Hardee County.

For every six (6) full time Hardee County employees employed by Lessee in excess of twenty four (24), not to exceed a cap of a total of thirty six (36), Lessee shall receive an additional purchase option credit in the amount of Fifty Thousand Dollars (\$50,000) per year for each year the employees are retained, provided the employees are retained for at least five (5) years of the initial ten year lease term.

At such time as Lessee shall desire to exercise this option, Lessee shall give Lessor written notice thereof. Lessor will, within fourteen (14) days after receipt of such notice, provide a contract for sale at option price, with Lessee paying all closing costs. In addition, such contract for sale shall contain reasonable standard provisions for contracts for similar sales. The consideration for this option is \$1.00 at the execution of this agreement. Lessee's failure to remain in good standing (including making timely rent payments) under the lease shall terminate this option; provided, however, that if Lessee cures any such default, the option shall remain. Lessee may assign Lessee's rights under this section to an affiliate.

Section III Lessor's Right to Inspect or Repair

Lessee agrees to make all necessary repairs to the interior and exterior of the leased premises and to maintain the same in good condition, at its sole cost and expense. Lessee agrees that Lessor and Lessor's agents or other representatives shall have the right to enter the leased premises, or any part of the premises, at all reasonable hours for

the purpose of examining them or making such repairs or alterations as may be necessary to make them safe and to preserve them.

Section IV
Compliance by Lessee with Laws, Rules, and
Regulations; Fire Prevention

Lessee agrees to comply with all local, state and federal laws, rules, regulations, and requirements applicable to the premises, and in particular with those for the correction, prevention, and abatement of nuisances or other grievances in, on, or connected with the premises during the term of this lease. Lessee further agrees that it will not permit the leased premises to be occupied for any purpose deemed disreputable or deemed to be extra-hazardous on account of fire.

Section V Assignment
and Sublease

Lessee agrees not to assign this lease without first obtaining Lessor's written consent to the assignment; provided, however, Lessee may assign this lease, without obtaining Lessor's written consent, to an affiliate as defined in Section XXI. Lessor agrees not to withhold consent unreasonably. Lessee shall have the right to sublet or underlet the leased premises for any purpose permitted by Section I, provided such sublettings or underlettings shall be subject to the terms and conditions of this lease, and further provided that Lessee shall notify Lessor in writing of such sublettings promptly. Such sublettings or underlettings shall not release Lessee from any of its obligations under this lease.

Section VI
Effect of Damage to or Destruction
of Leased Premises

If the leased premises are damaged or destroyed in whole or in part by fire or other casualty during the term of this lease, Lessor agrees, with due diligence, to repair, restore, rebuild, or replace the premises or portion destroyed or damaged, so that the property shall be substantially the same as it was before the damage. If the destruction or damage amounts to more than twenty-five (25%) percent of the insurable value of the premises, Lessor may, at its option, cancel and terminate the lease

by giving written notice to Lessee within thirty (30) days after the date the damage or destruction occurred. In such event, this lease shall terminate on the date specified in such notice, and Lessor shall not be obligated to repair or rebuild. In the event of such damage or destruction, rent under this lease will be abated for the term during which, and to the extent to which, the premises may not be used by Lessee. Lessee shall be entitled to receive a pro rata refund out of any advance rent paid by it for the period during which the premises were unuseable by reason of destruction or damage.

Section VII Insurance

Lessee, during the term of this lease, shall carry public liability insurance at its own cost, insuring Lessor and Lessee against all claims for injuries to persons or property occurring in, upon or about the premises, said policy of insurance at all times to be in an amount not less than \$1,000,000 for injuries to each person in one accident and not less than \$2,000,000 for bodily injury and property damage for each occurrence. Lessee shall be responsible for insuring all tangible personal property on the premises.

Section VIII Lessee's Right to Place Signs; Removal of Signs when Repairing Building

Lessee shall have the privilege of placing on the leased premises such signs as it deems necessary and proper in the conduct of its business. In case Lessor or Lessor's representatives shall deem it necessary to remove any such signs in order to paint the premises or the building where they are situated or make any other repairs, alterations, or improvements on the premises or building, Lessor shall have the right to do so, providing that the signs are replaced whenever the repairs, alterations, or improvements are completed, and that such removal and replacement of signs are at Lessor's expense.

Section IX Utilities; Indemnity

Utilities. Lessee shall pay for all utilities (electric, phone, etc.) used in the leased premises during the term of this lease and of any renewal or extension of this lease, and for any other substances used for heat or light. Lessee shall pay to the water company supplying water to the premises all charges for water furnished the premises and all sewer charges which may, during the term of this lease, be assessed or imposed for water used or consumed on the premises, whether determined by meter or otherwise, as soon as they are assessed or

imposed. If such charges or rentals are not paid by Lessee during the month in which they are due, they may be paid by Lessor and shall be added to the next month's rent after that to become due. Lessee agrees to maintain heating and hot water systems at its own expense.

Property Owner's Association (POA): Fees or dues related to the POA shall be the responsibility of the Lessor through the term of this agreement.

Indemnity. Lessee shall, during the term of this lease, indemnify, defend and save harmless Lessor against any and all damage or injury to property or person on or about the premises caused by or resulting from or by reason of the use and occupancy of the said premises by Lessee.

Section X Notices, Generally

Subject to the provisions of Section XI of this lease, any notice to be given by either party to the other, pursuant to the provisions of this lease or of any law, shall be given by registered or certified mail, addressed to the party for whom it is intended at the following addresses or such other address as the party may designate in writing:

LESSOR

LESSEE

**HARDEE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY, a
public agency organized under
the laws of the State of Florida**
107 East Main Street
Wauchula, FL 33873

Florikan E.S.A., LLC

Section XI Manner of Giving Notice of Default or Omission

It is agreed that there is to be no enforceable default against Lessee or the exercise of any option or right granted to Lessor under any provision of the lease in the event of Lessee's default or omission, unless notice shall have been given by Lessor to Lessee by registered or certified mail, specifying the default or omission complained of, and Lessee shall have had ten (10) days after the actual receipt of such notice to comply with or remedy the default or omission. If the default or omission

complained of is of such nature that it cannot be completely cured within such ten (10) day period, such default nevertheless shall not be enforceable against Lessee if Lessee shall have begun curing it within the ten (10) day period, and shall, with reasonable diligence and in good faith, proceed to remedy it.

Section XII
Subordination of Lease to Encumbrances

This lease is subject and subordinate to any mortgages or trust deeds now on or, after the making of this lease, may be placed against the premises, and to all advances made or that may be made on account of the encumbrances, to the full extent of the principal sums secured by it and interest on such sums.

Section XIII
Beginning Date of Lease Term; Rent
Before Term Begins

a. Lessor and Lessee agree to execute and deliver, within ten (10) days after term of lease begins, an instrument certifying the option purchase price.

b. Lessor and Lessee agree to execute and deliver, within ten (10) days after the term of this lease shall begin as provided herein, an instrument in writing in duplicate, each receiving one of the duplicates, certifying the beginning date of the lease term.

c. Lessee will pay a pro rata rent for the portion of the month from the date of commencement of the term to the first of the month immediately succeeding.

Section XIV Fixtures
Installed by Lessee

All fixtures installed by the Lessee in the leased premises shall be and remain the property of Lessee and may be removed by it at any time during the term of this lease or at the expiration of this lease, provided the same can be removed without damage to the real property. Any such fixtures remaining in the premises after the expiration of the term of this lease shall be deemed abandoned by the Lessee and shall become the property of Lessor. Any damage to the leased premises, caused by the

removal of such fixtures, shall be repaired by Lessee, at Lessee's sole cost and expense.

**Section XV
Lessee's Right to Make Payments on Encumbrances
or Taxes on Lessor's Default**

In the event Lessor fails to make any payment on account of principal or interest on any mortgage or trust deed note affecting the leased premises, or to pay any tax or assessment assessed or levied against the premises during the period within which such payment may be made without penalty or interest, Lessee, on written notice to Lessor, shall have the right to make the payment and to deduct the sum so paid from the next or any subsequent installment of rent upon adequate proof of such payment.

**Section XVI Eminent Domain;
Effect of Condemnation of Entire
Premises**

In the event that all of the leased premises be taken or condemned for any public or quasi-public use, this lease shall terminate as of the date of such taking. The award for such taking of the premises shall belong to Lessor. Lessee shall, however, be permitted to make claim to the condemning authorities for the value of any improvements erected by it on the premises and for the value of any fixtures installed by it which are located on the premises.

**Section XVII Eminent Domain;
Effect of Condemnation of Part of
Premises**

In the event that a portion, but not the entire leased premises are acquired for public or quasi-public use, this lease shall terminate as to the part taken and shall continue as to the remainder of the leased premises for the balance of the term of this lease at a reduced rental based on the proportion that the ground floor area remaining after such taking bears to the ground floor area of the leased premises prior to such condemnation. Lessee shall have the option to terminate its lease by giving at least thirty (30) days notice of same. In any event Lessee shall be permitted to make claim to the condemning authorities for the value of any improvements erected by it on the premises and for the value of any fixtures installed by it which are located on the premises.

**Section XVIII Time
of the Essence**

Time is of the essence of each and every provision, covenant, and condition contained in this lease, and on the part of the Lessee or Lessor to be done and performed.

Section XIX
Lessor's Specific Covenants and Warranties

Lessor covenants and warrants that:

- a. Lessor is the owner of the leased premises and has the right to make this lease.
- b. Lessee, on paying the rent reserved in this lease and on performing all of the terms and conditions of this lease on its part to be performed, shall at all times during the lease term peacefully and quietly hold and enjoy the leased premises.
- c. The premises are now free from all encumbrances, except covenants and restrictions of record.

Lessor further covenants and warrants that at the time of the delivery of possession of the leased premises to Lessee:

- d. The premises shall be clear of all mechanics' liens.
- e. The building shall be free from latent defects.
- f. A certificate of occupancy shall have been duly issued for the building, if required.
- g. The building lawfully may be used for research, manufacture and distribution of nutritional plant food supplements and biopesticides.

Section XX
Lessor's Re-Entry on Default or Abandonment

If Lessee abandons or vacates the leased premises (except as authorized pursuant to this lease) or is dispossessed for cause by Lessor before the termination of this lease, or any renewal of this lease, Lessor may, on giving twenty (20) days written notice to Lessee, declare this lease forfeited and shall, in the event of forfeiture, make reasonable efforts to relet the premises for similar rental rates. Lessee shall be liable to Lessor for all damages suffered by reason of such forfeiture. Such

damages shall include, but are not limited to, the following: (1) all rent not received by Lessor until the property is relet, including reasonable expenses incurred in attempting to relet; and (2) the difference between the rent received when the property is relet and the rent reserved under this lease.

Until the premises have been relet, Lessee agrees to pay to Lessor, on the same day as rental payments are due under this lease, , the lost rent due Lessor after the last payment was made.

After the premises have been relet, Lessee agrees to pay to Lessor, on the last day of each rental period, the difference between the rent received for the period from reletting and the rent reserved under this lease for that period.

Section XXI Option to Purchase Leased Premises

Lessor hereby grants unto Lessee an option to buy the leased premises (including all improvements contained on the premises) at any point during the initial ten-year lease term, and any extensions or renewals thereof, in accordance with the provisions of Section II hereof. At such time as Lessee shall desire to exercise this option, Lessee shall give Lessor written notice thereof. Lessor will, within fourteen (14) days after receipt of such notice, provide a contract for sale at option price with Lessee paying all closing costs. In addition, such contract for sale shall contain all reasonable standard provisions for contracts for similar sales. The consideration for this option is One Dollar (\$1.00) at the execution of this agreement. Lessee's failure to remain in good standing (including making timely rent payments) under the lease shall terminate this option; provided, however, that if Lessee cures any such default, the option shall remain. Lessee may assign Lessee's rights under this Section to an Affiliate. For purposes of this entire Section, Lessee shall mean and include all Affiliates (as defined below) of Lessee. The term "Affiliates" means and includes any other person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, Lessee. "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 an entity, whether through the ownership of voting securities, as trustee or executors, as general partner or managing member, by contract or otherwise.

Section XXII

Attorneys' Fees and Costs

In connection with any litigation, including appellate or bankruptcy proceedings, arising out of the lease, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

Section XXIII
Venue

Venue for any legal proceeding to enforce or interpret rights hereunder shall be Hardee County, Florida.

Section XXIV
Binding Effect on Successors and Assigns

The covenants and agreements contained in this lease shall be binding on the parties to this lease and on their respective successors, heirs, executors, administrators, and assigns.

IN WITNESS WHEREOF, _____
Chairman of HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public agency organized under the laws of the State of Florida, has hereunto set his hand and seal on this agreement as LESSOR this ____ day of _____, 2013.

IN WITNESS WHEREOF, _____
_____ of FLORIKAN E.S.A., LLC, has hereunto set his/her hand and seal on this agreement as LESSEE this ____ day of _____, 2013.

"LESSOR"

HARDEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public agency organized under the laws of the State of Florida

By: _____
Chairman

First Witness as to Lessor

Second Witness as to Lessor

"LESSEE"

FLORIKAN E.S.A., LLC

By: _____

First Witness as to Lessee

Second Witness as to Lessee