

LEASE AGREEMENT

Columbia County, Florida and Halpatter Brewing, LLC

THIS LEASE AGREEMENT is made this 4th day of August, 2016, by and between **COLUMBIA COUNTY, FLORIDA**, a charter county and political subdivision of the State of Florida, whose mailing address is PO BOX 1529, Lake City, Florida 32056 (the "Landlord") and **HALPATTER BREWING, LLC**, a Florida Limited Liability Company, with its principal address at 434 NW Lake Valley Terrace, Lake City, Florida 32055 (the "Tenant").

WITNESSETH:

WHEREAS, the Landlord is owner of certain improved property being and situated in the City of Lake City, Columbia County, Florida, more particularly described as Columbia County Parcel No. 00-00-00-12654-000, AKA 264 NE Hernando Avenue, Lake City, Florida 32055 (the "Premises");

WHEREAS, the Landlord, through the Board of County Commissioners, is authorized by Florida Statutes section 125.045 to sell or lease real property for economic development purposes;

WHEREAS, the Premises consist of a building and adjacent parking areas which have not been used by the Landlord for any purpose other than storage for a period of many years; the Landlord has been advised that the cost of remediating the building for any greater purpose will be disproportionate to any benefit to the County; and there are no plans to repurpose, improve, or otherwise make use of the building for the foreseeable future;

WHEREAS, the Tenant wishes to locate a "craft brewery" in Downtown Lake City, where the Tenant will manufacture and distribute craft beers throughout the region, host visitors to the craft brewery, host events and gatherings, and otherwise serve as a destination attraction in Downtown Lake City;

WHEREAS, the Tenant is willing and able to remediate the condition of the Premises to make them suitable for Tenant's purposes which, should the Premises be returned to the Landlord at a later date, would offer the Landlord a building more readily and cost-effectively made suitable for County purposes;

WHEREAS, the Landlord, through its Board of County Commissioners, has determined that entering into this Lease and providing for the Tenant to remediate the condition of the Premises while locating a craft brewery in Downtown Lake City all constitute economic development activities within the meaning of Florida Statutes section 125.045;

WHEREAS, the Tenant undertakes the obligations herein set forth with the full understanding that any permanent improvements made or fixtures affixed to the Premises shall become the property of the Landlord if the Premises are later returned to the Landlord pursuant to this Lease without consideration or reimbursement paid to the Tenant; and

WHEREAS, leasing the Premises on the terms and conditions set forth herein serves the

best interests of Columbia County, Florida.

NOW, THEREFORE, in consideration of the foregoing, the covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

I. RECITALS INCORPORATED.

The recitals set forth above are true and correct and are incorporated herein by reference.

II. PREMISES LEASED.

The Landlord, in consideration of the rents; other sums payable by the Tenant to the Landlord; and the terms, covenants, conditions and agreements to be kept and performed by Tenant as hereinafter set forth, by these presents leases, demises, and lets to the Tenant, and the Tenant rents and leases from the Landlord the Premises including the space, facilities, grounds, and improvements located at 264 Northeast Hernando Avenue, Lake City, Columbia County, Florida. The property is legally described as the Eastern ½ of Block 10 of the Central Division of the City of Lake City. TO HAVE AND TO HOLD the Premises and all the rights, privileges, and appurtenances thereunto appertaining unto the Tenant for and during the term of this Lease, unless sooner ended or terminated in accordance with any of the provisions of this Lease, subject always to the terms and conditions hereinafter set forth.

III. USE

- a. Tenant's Use. The Tenant shall not use the Premises for any illegal purpose, or for any business hazardous on account of fire or otherwise, and at the expiration of the Term, or any extension or renewal thereof, will quit and surrender said premises in good order. Tenant intends to use the Leased premises solely for a production micro-brewery with associated tasting room(s), event space(s), and outdoor seating and activity area(s), but may use the Premises for any legal and non-hazardous purpose as of the execution date of this Lease.
- b. Conditions of Tenancy.
 - i. The Tenant shall make timely application for any and all licenses, permits, or other approvals for the lawful operation of the Tenant's business in the Premises, using all commercially reasonable methods and reasonable due diligence. In the event such approvals are denied due to the Landlord's negligence, Landlord shall remedy the matter within ten (10) days. In no event shall Landlord be obligated to enact policy or expend public funds to facilitate Tenant's ability to obtain any license, permit, or other approval relating to the Tenant's lawful operation on the Premises.
 - ii. The Tenant shall have the right to terminate this Lease if the Tenant is for any reason unable to obtain all permits, variances, or governmental approvals necessary for the lawful construction and operation of its business

within 270 days of the final execution hereof. If Tenant is unable to open for business due to any restrictions or zoning preventing the Tenant's proposed use, then the Tenant shall have the option to terminate this Lease. The Tenant hereby agrees to use best efforts to apply within 60 days of full execution hereof for any permit, rezoning, licensures, or other requisite governmental approvals relating to the Tenant's specific proposed land use such that the Tenant may open for business in the Premises. The Tenant shall promptly notify the Landlord of any denial of any permit or land use change that Tenant requires to operate in the Premises. In the event Tenant fails to deliver notice of termination for a failure of the contingencies in this paragraph within 270 days of full execution hereof, this contingency shall be deemed waived and of no further force or effect.

- c. Plan Approval. The Tenant acknowledges and agrees that the Tenant's plans for renovation or buildout of the Premises shall be subject to prior written approval of the Landlord. The Tenant shall submit plans to the Landlord within 90 days of full execution hereof. Landlord shall either approve such proposed plans within 15 days of submission to the Columbia County Engineer or deny approval with comment indicating necessary changes to obtain approval. The Tenant shall revise the plans and resubmit the plans in accordance with any comments within 15 days of receipt of comments. This process shall continue until Tenant's plans are approved by Landlord. In the event Landlord fails to make timely response or unreasonably denies requests for plan approval, the Tenant may terminate this Lease or seek enforcement of this provision in contract.

IV. TERM AND DELIVERY.

- a. Initial Term. The term of this Lease shall be for five (5) years, including the portion of the month in which the commencement date occurs if the commencement date is not on the first day of the month, beginning on the "Commencement Date" which shall be the first calendar day following the Delivery Date as set forth below, and ending on the last day of the fifth year (the "termination date") unless sooner terminated as hereinafter provided, on the terms and conditions contained in this lease. This Lease may be renewed or extended as otherwise provided herein.
- b. Delayed Possession. Landlord shall complete Landlord's Work, which is defined as the removal and relocation of any records, personalty, or other items of value currently stored on the Premises, and shall deliver the Premises to Tenant no later than thirty (30) days after execution of this Lease by both parties (the "Delivery Date"). If Landlord fails to deliver possession of the Premises as required by the terms of this Lease, ready for Tenant's occupancy by the Delivery Date, then the Tenant may at any time thereafter but prior to delivery of the Premises declare this Lease null and void, or may, at its option, and from time to time, agree to extend the Delivery Date to a later date as Tenant's sole remedy for such failure to timely deliver.

V. IMPROVEMENTS TO BE CONSTRUCTED AT TENANT'S EXPENSE

- a. Except for Landlord's Work, Tenant shall accept the Leased Premises in as is condition and the Landlord shall have no obligation to perform any work, supply any materials, incur any expenses or make any installations in order to prepare the Leased Premises for the Tenant's occupancy.

VI. RENEWAL

- a. Provided Tenant is not in material default of any provision of this Lease, this Lease shall be renewed for up to four (4) additional terms of five (5) years each, for a maximum combined term of twenty-five (25) years. The Tenant shall serve notice of the Tenant's desire to renew this Lease to the Landlord in writing not less than 120 days prior to the expiration of any term. Holding over in possession of the Premises by the Tenant at the end of the term is not an act of renewal or extension in the absence of a written notice.
- b. If no notice of renewal is given, then the Landlord may re-enter the Premises at reasonable times and with reasonable notice to the Tenant during the last 120 days of the term of the Lease to show the property to prospective Tenants. Landlord shall coordinate in good faith with the Tenant to ensure showings do not unreasonably interfere with the Tenant's ongoing business operations.
- c. All the terms and conditions of the Lease shall remain in force and effect except that the annual rent formula shall be applied to re-compute rents during each successive year of any renewal term of the Lease.

VII. TENANT'S RIGHT TO PURCHASE

- a. Right to Purchase at Pre-renovation Price. Provided Tenant is not in material default of any provision of this Lease, the Tenant shall have the right to purchase the Premises for a purchase price equivalent to the then-current prevailing market value for similar properties, but taking into consideration the condition of the Premises on the Delivery Date and establishing Fair Market Value as if the Premises remained in the Delivery Date condition.
- b. Notice. Upon the Tenant giving notice to the Landlord of the Tenant's readiness, willingness, and ability to purchase the Premises, each of the parties shall enter into an appropriate Purchase and Sale Agreement setting terms and conditions of sale customary to the transfer of commercial properties by public entities pursuant to Chapter 125.045, Florida Statutes, County policies, and other applicable laws.
- c. Closing Date. Closing on any purchase by the Tenant must occur on or before the last day of the initial or renewal term of this Lease. If this Lease is for any reason terminated or not renewed, the Tenant shall have no right to purchase according to the terms of this part.

- d. **Exclusivity of Rights.** The right to purchase provided by this Lease is exclusive to the herein named Tenant, is non-assignable, and exists solely for the benefit of the Tenant and to induce Tenant to make contemplated repairs, alterations, and remediation to the Premises.
- e. **Notice of Proposed Purchase or Sale.** In the event the Landlord receives a bona fide third-party offer for the purchase of the Premises, the Landlord may not accept said offer for a period of thirty (30) days after written notice of the third-party offer is provided to the Tenant. The Landlord shall notify any prospective third-party buyer of the Tenant's rights hereunder, and any sale shall be subject to this Lease.
- f. **Closing and Settlement.** Tenant agrees that closing costs, including any points, fees, and other charges required by any third-party lender, shall be the sole responsibility of the Tenant. The only closing costs to the Landlord shall be the pro-rated share of the ad valorem taxes due at the time of closing.
- g. **Financing Disclaimer.** The parties acknowledge that it is not possible to predict the availability of financing for purchase of the premises. Financing shall not be a condition or prerequisite to any exercise of the tenant's right to purchase hereunder.
- h. **Remedies upon Default.** If Tenant defaults under this Lease Agreement, then in addition to any other remedies available to Landlord at law or in equity, Landlord shall terminate any right the Tenant may claim to Purchase the Premises by giving written notice of termination. If terminated, the Tenant shall lose entitlement to any refund of rent or other consideration for betterment, unjust enrichment, or any other legal or equitable remedy.
- i. **Recording of Agreement.** This Lease Agreement shall not be recorded on the Public Records without the express and written consent of both parties. A Memorandum of Lease may be recorded by either party to providing only notice of the existence of this Lease and the names of the parties hereto.

VIII. RENT AND CONSIDERATION.

- a. **Base Rent.** Tenant will pay to the Landlord, without demand or set off, as rent for the Premises (hereinafter referred to as "Base Rent") the following sum together with all sales tax due thereon:
 - i. The Base Rent for the first five-year term of this Lease shall be \$1.00 per year and shall be paid in a single annual installment, the first such annual installment becoming due and payable upon the Term Commencement Date as defined above.
 - ii. The Base Rent for each Renewal Term shall be determined prior to the termination of each preceding Lease Term and will be equivalent to the then-prevailing market lease annual rate for properties similar to the

Premises in its pre-renovation condition. Said amount shall be paid in twelve (12) equal monthly installments, in advance, on the first day of each and every month during the period set forth in this Lease.

- iii. Tenant shall remit to Landlord with each monthly payment all sales taxes due thereon and Landlord will provide Tenant proof that said Sales Tax due has been paid upon written request by Tenant.
- b. Place of Payment. Until further notice in writing from the Landlord, the Tenant shall make all payments provided for herein in lawful money of the United States of America on or before the due date thereof to the Landlord and delivered to the Landlord's notice address until and unless otherwise directed by the Landlord.
- c. Interest and Returned Payment Charges. All past due payments not received within fifteen (15) days after the date on which they are due shall bear interest at the maximum non-usurious rate per annum permitted by applicable law. Such payments are due and payable thereunder; provided, however, that credit against such amount computed at the maximum non-usurious rate per annum permitted by applicable law shall be given for any late charges paid by Tenant. Tenant shall also pay a twenty-five-dollar charge (\$25) for any payment returned, for any reason.
- d. Late Charges. In the event that any installment of Base Rent or other funds due hereunder are not received within fifteen (15) days after the date on which such amount is due, Tenant shall pay an administrative late charge equal to five (5%) percent of such amount due for each such late payment and a late charge of fifty dollars (\$50) for each week the rent is past due, for any reason.
 - i. Tenant is hereby permitted to be late one time during each year of this Lease without an imposition of a penalty, late fees, or interest provided that upon notice by Landlord of payment being late that Tenant immediately within three days eliminates the late payment via overnight delivery of payment.
- e. **Additional Consideration in Lieu of Rent. The parties agree and understand that the Tenant shall complete, subject to the terms of this Lease, not less than THREE HUNDRED THOUSAND and 00/100 DOLLARS (\$300,000.00) worth of improvements to the leased premises within one year of the effective date of this Lease. The Tenant's proposed improvements and remediation of the poor condition of the Premises is a material consideration by the Tenant to the Landlord, provided in lieu of rents as part of the Landlord's economic development activities as authorized by Florida Law. Should Tenant fail to make expenditure for improvements to the premises in the amount set forth herein, said failure shall be tantamount to non-payment of rent, entitling the Landlord to termination of this lease and all other remedies at law or in equity. The Landlord shall have the right to audit the expenditures of the Tenant in performance of this part, subject to providing reasonable notice to the Tenant of the Landlord's intent to complete that audit.**

- f. Taxes and Assessments. To the extent Tenant's occupancy or use of the Premises at any time during the term of this Lease shall result in imposition of any tax or assessment to the Landlord, Tenant agrees to reimburse the Landlord for such taxes or assessments paid by the Landlord or Tenant may directly pay all such assessments on behalf of the Landlord to the extent permitted by law.

IX. REQUIRED CONSTRUCTION AND IMPROVEMENTS TO PREMISES.

- a. The Tenant shall complete remediation of the Premises, including specifically remediation of asbestos within the Premises. The parties understand, acknowledge and agree that the scope of repair, renovation and remediation necessary is not presently known.
- b. "Leasehold Improvements" shall mean and describe all construction and improvements made to the Premises which are in addition to or beyond the Landlord's Work previously described. Tenant covenants and agrees to construct all Leasehold Improvements in accordance with this Lease. Landlord shall have the right to approve the final plans and specifications as provided in III.c., *supra*.
- c. Tenant shall construct or cause to be constructed all Leasehold Improvements in a good and workmanlike manner, in compliance with all governmental regulations including, without limitation, Title III of the Americans with Disabilities Act of 1990 and regulations thereunder, as the same may be amended from time to time, and according to the approved plans and specifications.
- d. The Tenant shall promptly pay and discharge all bills for labor and material furnished to the Premises during the term of this Lease.
- e. Landlord retains the right to make reasonable inspection or cause the Premises to be inspected, and to supervise all work on the Premises provided, however, that the Landlord's inspection or supervision shall not interfere with the Tenant's work.

X. SIGNS AND SIGNAGE

- a. Tenant shall be allowed to erect and display building signage at Tenant's sole cost and expense, subject to applicable codes and regulations and the terms of this Lease.
- b. The Tenant shall not construct, erect, place, put, paint, maintain or control on the Premises any sign or signs without first obtaining the written consent and approval of Landlord, whose approval shall not be unreasonably withheld.
- c. All signs or signage shall continually comply with all rules, regulations, laws, statutes and ordinances as applicable.
- d. Signs must be erected and maintained so as to not cause damage to the Premises . Upon termination of the Lease, Tenant shall pay all expenses associated with the removal of its signs from the Premises.

- e. The Premises are considered by the Landlord to be historically significant and are commonly known in the community as "The Montgomery Building". As such, the Premises shall be identified where appropriate as "The Montgomery Building" or "Montgomery Building" and the Tenant shall not attempt to assign any other alias or common name to the Premises.
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XI. MAINTENANCE

a. Landlord's Maintenance.

- i. The Landlord shall, at its sole cost and expense, make only structural repairs to the foundation, the exterior of exterior weight-bearing walls (excluding all doors, windows, and glass), and the roof of the building.
- ii. The Landlord shall not be required to make any repairs which are occasioned by the acts or omissions of Tenant or Tenant's agents, invitees, licensees, or employees.
- iii. The Landlord shall not be obligated to commence making any repairs until ten (10) days after receipt of written notice of the need thereof from the Tenant.
- iv. Landlord shall immediately, providing that no permit is required, commence making repairs upon confirming that same are necessary under this Lease.

b. Tenant's Maintenance.

- i. Tenant, at its sole cost and expense, shall keep clean and maintain in good order, condition and repair the Premises and every part thereof, including without limitation, the exterior portions of all doors, windows, site plane glass surrounding the Leased Premises, fixtures and interior walls, floors, systems, interior building appliances, air conditioning and heating plants.
- ii. Tenant hereby agrees to repaint, refurbish, and remodel the Leased Premises and any part or portion thereof from time to time to assure that the same are kept in a tenantable and attractive condition throughout the term of this Lease and shall be kept clean, sanitary and in safe condition in accordance with the laws of the governmental authorities having jurisdiction and in accordance with all directions, rules and regulations of the Health Officer, Fire Marshall, Building Inspector and other proper officers of governmental agencies having jurisdiction thereof.
- iii. With respect to structural changes which may be required, such structural changes shall be made by Tenant at Tenant's expense and subject to the Landlord's approval as required by this Lease.
- iv. If any repairs required to be made by Tenant hereunder are not made within

thirty (30) days after written notice is delivered to Tenant by Landlord, Landlord upon demand may at its option make such repairs, and Tenant shall pay to Landlord upon demand, as additional rental hereunder, the cost of such repairs plus interest at the maximum non-usurious rate per annum permitted by applicable law from the date of payment by Landlord until paid by Tenant, provided that Tenant is first given the option of paying for such repairs and that the cost of such repairs are reasonable and customary.

- v. At the expiration of this Lease, Tenant shall surrender the Leased Premises in good condition, reasonable wear and tear expected.
- c. Landlord shall not be liable for any injury or damage (including consequential damages), which may be sustained by the person, goods, wares, merchandises or property of Tenant, its employees, invitees, licensees or customers or any person in or about the Leased Premises, caused by or resulting from fire, steam, electricity, gas, water, rain, which may leak or flow from or into any part of the Leased Premises, or from the breakage, leakage, obstruction or other defects in the pipes, wires, appliances, plumbing, air-conditioning, or lighting fixtures of the same, whether the said damage or injury results from the conditions arising upon the Leased Premises or upon other portions of the building of which the Leased Premises are a part, or from other sources.

XII. UTILITIES

- a. Tenant shall pay for all telephone, cable, and electric service supplied to the Premises.
- b. Tenant shall pay for all water and sewer services supplied to the Premises for the benefit of Tenant.
- c. Landlord shall not be liable for damages or otherwise for any failure or interruption of any utility service being furnished to the Premises, and no such failure or interruption shall entitle Tenant to terminate this Lease.

XIII. INSURANCE

a. LANDLORD'S INSURANCE

- i. During the term of the Lease, Landlord shall secure and maintain policies of insurance that are consistent with industry standards for similar properties insuring the building (but not the contents thereof) against loss or damage by fire or other casualty under a standard extended coverage endorsement. Tenant shall not be named as an insured party in such policies and Tenant shall have no right to any part of the proceeds thereof.
- ii. Landlord shall not be liable to Tenant for any injury to person or damage to property caused by the Premises becoming out of repair or by gas, water, steam, electricity or oil leaking or escaping into the Premises whether or not caused by Landlord's negligence, (except where due to Landlord's willful

failure to make repairs required to be made hereunder, after the expiration of a reasonable time and after written notice to Landlord of need for such repairs), nor shall Landlord be liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of other persons, except willful acts or omission of only the authorized employees and agents of Landlord.

- iii. Any provision of this Lease to the contrary notwithstanding, no personal liability of any kind or character whatsoever now attaches or at any time hereafter under any conditions shall attach to Landlord or any officers, employees, agents or other representatives of Landlord for payment of any amounts due under this Lease or for the performance of any obligations under this Lease. The exclusive remedies of Tenant for the failure of Landlord to perform any of its obligations under this Lease shall be to seek enforcement of this Lease by its terms to retain possession or vacate the premises. In no event shall a judgment for any deficiency or monetary claim be sought by the Tenant against the Landlord, nor shall any judgment that might be obtained be enforced against the Landlord or any of its officers, employees, agents, or other representatives.
- iv. Nothing herein shall be construed as a waiver by the Landlord of any available defense of sovereign immunity available to Landlord in any claim or proceeding emanating from or relating to this Lease.

b. TENANT'S INSURANCE

- i. During the term of this Lease, Tenant, at its sole cost and expense, shall obtain and maintain with insurance companies, approved by Landlord, policies of insurance with Tenant, Landlord and Landlord's designees named as co-insured, as follows:
 - 1. Commercial General Liability
 - a. Coverage must be afforded under a Commercial General Liability policy with limits not less than:
 - i. \$1,000,000 each occurrence and \$2,000,000 general aggregate for Bodily Injury, Property Damage and Personal and Advertising Injury
 - ii. \$1,000,000 each occurrence and \$2,000,000 general aggregate for Products and Completed Operations
 - iii. \$100,000 Fire Legal Liability
 - 2. Comprehensive general public liability insurance protection against any and all claims for damages to persons or property or for loss of life or of property occurring in, on, or about the Leased Premises and improvements thereon, including that resulting from the use by Tenant or Tenant's employees of any vehicle owned, nonowned or hired, both on and off the Leased Premises, such insurance to afford

immediate protection with combined single limit coverage of not less than \$1,000,000.00 with respect to injury or death to any number of persons arising out of any occurrence and with respect to any occurrence of property damage with a commercially reasonable deductible.

3. Workman's compensation, employer's liability, and similar insurance to the extent required by law at any time during the term of this Lease;
4. Tenant shall insure all of Tenant's leasehold improvements, trade fixtures and all personal property from time to time in, on, upon the Lease Premises, and all alterations, additions or changes made by Tenant pursuant to the terms of this Lease, in an amount equal to the greater of:
 - a. one hundred (100%) percent of the full replacement cost thereof from time to time during the term of this Lease, or
 - b. One Hundred Thousand (\$100,000.00) Dollars, providing protection against perils included within the standard Florida form of fire and extended coverage insurance policy, together with insurance against sprinkler damage.
5. Such other insurance against other insurable hazard as Landlord may from time to time reasonably require.
6. All insurance policies shall be through insurers authorized or eligible to write policies in Florida and possess an A.M. Best rating of A-, VII or better, subject to the approval of the Landlord, which shall not be unreasonably withheld

The Tenant shall provide the Landlord with a Certificate of Insurance evidencing Landlord will receive a thirty (30) day notice of cancellation, non-renewal or material change in coverage, ten (10) days' notice if cancellation is for nonpayment of premium. Landlord shall be listed at an additional insured on the certificate as respects the Tenant's commercial general liability.

XIV. INDEMNITY

- a. The Tenant shall indemnify and hold harmless Landlord, Landlord's officers, employees, agents and other representatives from all losses, costs, damages or expenses resulting or arising from any and all injuries or death of any person or damage to any property caused by an act, omission, or neglect of Tenant, Tenant's agents, invitees, licensees, customers or parties contracting with Tenant under a contract relating to the Leased Premises. Landlord, Landlord's officers, employees, agents, and other representatives shall not be liable for any damage or liability of any kind or for any damage or injury to persons or property during the term of this

Lease from any cause whatsoever by reason of the use, occupation, and enjoyment of the Leased Premises by Tenant. Tenant shall, at Landlord's election, "defend" Landlord and the other indemnified parties against all claims covered by Tenant's indemnity.

- b. Landlord shall indemnify and hold harmless Tenant, Tenant's partners, shareholders, directors, officers, employees, agents and other representatives from all losses, costs, damages or expenses resulting or arising from any and all injuries or death of any person or damage to any property caused by an intentional act or gross negligence of Landlord or Landlord's agents. Landlord shall, at Tenant's election, "defend" Tenant and the other indemnified parties against all claims covered by Landlord's indemnity.

XV. HAZARDOUS MATERIALS

- a. During the term of this Lease, Tenant shall comply with all Environmental Laws and Environmental Permits applicable to the operation or use of the Premises, shall cause all other persons occupying or using the Premises to comply with all such Environmental Laws and Environmental Permits, shall immediately pay all costs and expenses incurred by reason of such compliance or non-compliance, and shall obtain and renew all Environmental Permits required for operation or use of the Premises.
- b. Tenant will immediately advise Landlord in writing of any of the following:
 - i. Any pending or threatened Environmental Claim against Tenant relating to the Premises;
 - ii. Any condition or occurrence on the Premises that results in noncompliance by Tenant with any applicable Environmental Law or could reasonably be anticipated to form the basis of an Environmental Claim against Tenant, Landlord, or the Premises; and
 - iii. The actual or anticipated taking of any removal or remedial action in response to the actual or alleged presence of any Hazardous Material on the Premises. All such notices shall describe in reasonable detail the nature of the claim investigation, condition, occurrence or removal or remedial action and Tenant's response thereto. In addition, Tenant will provide Landlord with copies of all communications regarding the Premises with any government or governmental agency relating to Environmental Laws, all such communications with any person relating to Environmental Claims, and such detailed reports of any such Environmental Claim as may reasonably be requested by Landlord. At any time and from time to time during the term of this Lease, and at Landlord's sole expense, Landlord or its agents may perform an environmental inspection of the Leased Premises, and Tenant hereby grants to Landlord and its agents access to the Leased Premises to undertake such an inspection, after a written fifteen (15) day notice of the intent to perform an environmental inspection is given to

Tenant.

- c. The parties acknowledge, understand and agree that asbestos has been found on the premises and that remediation of the hazard posed by the presence of that asbestos shall be the responsibility of the Tenant. The substantial costs associated with cleanup of the asbestos within the Premises shall be borne exclusively by Tenant as part of the Tenant's separate consideration to the Landlord for this Lease. In no event shall Tenant undertake any cleanup of asbestos without ensuring that all such activities are conducted in compliance with applicable regulations and laws, and cleanup shall be completed by a qualified contractor obtaining all necessary permits before work is undertaken.
- d. Tenant agrees to indemnify, defend and hold harmless Landlord, and the officers, employees, agents and other representatives of Landlord, from and against all obligations (including removal and remedial actions), losses, claims, suits, judgments, liabilities, penalties (including civil fines), damages (including consequential damages), costs and expenses (including attorneys' and consultants' fees and disbursements), demands and causes of actions of any kind or nature whatsoever that may at any time be incurred by, imposed on or asserted against Landlord or the other indemnified parties directly or indirectly based on, or arising or resulting from:
 - i. The actual or alleged presence of Hazardous Materials on the Leased Premises or the Land which is caused or permitted by Tenant, and
 - ii. Any Environmental Claim relating in any way to Tenant's operation or use of the Leased Premises or the Land. Upon notice from Landlord, Tenant shall defend any such claim, suit, demand or cause of action, at Tenant's sole expense. Tenant shall have the right to conduct an environmental survey, performed by an accredited environmental agency, at Tenant's cost on the property at any time after the termination of the Lease and such survey providing indication of no environmental contamination shall release Tenant from any future demands by Landlord under this Lease related to the cost to defend or cost to clean up property.

XVI. TENANT'S DEFAULT

- a. Tenant's Default. Any of the following events shall be deemed to be an event of default ("Event of Default") by Tenant under this Lease:
 - i. Tenant fails to pay any installment of Base Rent, or any other charge or assessment against Tenant pursuant to the terms hereof when due;
 - ii. Tenant fails to comply with any term, provision, covenant, or agreement made under this Lease, particularly the Tenant's making of improvements to the Premises, and other than the payment of the Base Rent, or any other charge or assessment payable by Tenant, and shall not cure such failure

within thirty (30) days after written notice thereof to Tenant;

- iii. Filing of a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or substantially all of Tenant's assets against Tenant in any court pursuant to any statute either of the United States or any state and Tenant fails to secure a discharge thereof within sixty (60) days, or if Tenant voluntarily files a petition in bankruptcy or makes an assignment for the benefit of creditors or petitions for or enters into an arrangement with creditors (or a like occurrence of any of the same with respect to any guarantor of this Lease);
 - iv. Tenant abandons or vacates a portion of the Premises or fails to take possession thereof as provided in this Lease; or fails to conduct its business thereon for any continuous period of sixty (60) days or more (other than as a result of a casualty); or
 - v. Tenant does or permits to be done anything which creates a lien upon the Premises that Tenant fails to remove or bond off within thirty (30) days of the creation of such lien.
- b. In the event of Tenant's Event of Default, Landlord, besides other rights or remedies that it may have after the provision of a written notice to the Tenant and provision of a thirty (30) day period to cure (except as specified in Subsection a. above), shall have the right to:
- i. Accelerate all rent otherwise payable by Tenant over the remainder of the Lease Term, in which case all such rent shall be due and payable from the date of the notice of acceleration, or
 - ii. Terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord, or
 - iii. Terminate Tenant's right of continued possession of the Premises and from time to time, without terminating this Lease, relet the Leased Premises or any part hereof for the account and in the name of Tenant, for any such lease term or terms, and conditions as Landlord, in its sole discretion, may deem advisable, and with the right to make alterations, additions, and repairs to the Leased Premises deemed by Landlord to be necessary in conjunction with such reletting.
- c. Should Landlord terminate Tenant's right of possession of the Leased Premises pursuant to Subsection b.iii. above, then Tenant shall pay to Landlord, within ten (10) days of Landlord's demand, all of the following:
- i. Any unpaid rent and other charges to be paid by Tenant hereunder up to the date when Landlord shall have so terminated Tenant's right of possession, plus interest thereon at the rate of eighteen (18%) percent per annum from

- the due date;
 - ii. The reasonable cost of recovering possession of the Leased Premises and any reasonable legal fees and expenses directly related to the breach, the recovery of possession of the Leased Premises and the collection of unpaid rent and other charges;
 - iii. The costs incurred by Landlord in repairing and restoring the Leased Premises to the condition which same were to have been surrendered to Landlord at the expiration of the Lease Term;
 - iv. The reasonable costs of removing any of Tenant's property from the Leased Premises and, if same be stored, the cost of transporting and storing same (if Landlord shall store such property in the Leased Premises then Landlord shall be entitled to a reasonable storage fee hereunder); and
 - v. All reasonable brokerage fees and commissions incurred by Landlord in reletting the Leased Premises, which are not to exceed 5%.
- d. Rents received by Landlord from any reletting pursuant to Subsection b.iii. above shall be applied first to the payment of any of the terms enumerated in Subsection c. above, in such order as Landlord shall deem appropriate and second to the payment of rent and other sums due and unpaid by Tenant hereunder as of the date of Landlord's receipt of said rents. The residue, if any, shall be held by Landlord and applied in payment of future rent or damages in the event of termination as the same may become due and payable hereunder.
- e. No such reletting of the Leased Premises by Landlord pursuant to Subsection b.(iii) above shall be construed as an election on its part to terminate this Lease unless a notice of such intention be given by Landlord to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction; and notwithstanding any such reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach provided it has not then been cured. Tenant will remain liable for any deficiency in rent if Landlord elects to relet the Leased Premises on behalf of the Tenant. Landlord will have no obligation whatsoever to relet the Leased Premises and will have no liability whatsoever for failing or refusing to relet the Leased Premises.
- f. Should Landlord at any time terminate this Lease for any breach pursuant to Subsection b.ii. above, then in addition to any other remedy Landlord may have, Landlord shall have the right to recover from Tenant all or any of the following:
- i. Any unpaid rent and other charges to be paid by Tenant hereunder up to the date of termination, plus interest thereon at the rate of eighteen percent (18%) per annum from the due date;

- ii. The reasonable cost of recovering possession of the Leased Premises and collecting said arrearages in rent and other charges;
 - iii. Reasonable costs, which would be incurred in repairing or restoring the Leased Premises to the condition in which the same were to have been surrendered to Landlord at the expiration of the Lease Term;
 - iv. The reasonable costs of removing any of Tenant's property from the Leased Premises, and if same be stored the cost of transporting and storing same (if Landlord shall store such property in the Leased Premises then Landlord shall be entitled to a reasonable storage fee hereunder);
 - v. All brokerage fees and commission incurred by Landlord in reletting the Leased Premises, not to exceed 5%.
- g. Landlord shall have the right to recover, in execution of judgment(s) rendered in legal proceedings or otherwise, either jointly or from time to time severally, the applicable sums specified in clauses (i) through (v) of Subsection c. and clauses i. through v. of Subsection f., and Landlord's recovery of one or more of such sums shall not constitute a waiver of Landlord's right to recover from Tenant the remaining sums.
- h. Tenant hereby waives all statutory rights to the extent such rights may be lawfully waived.

XVII. LANDLORD'S DEFAULT

- a. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it hereunder unless and until it has failed to perform such obligation within thirty (30) days after written notice by Tenant to Landlord specifying wherein Landlord has failed to perform such obligation; provided, however, that if the nature of Landlord's obligations is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion.
- b. Anything in this agreement to the contrary notwithstanding, the Landlord shall not be deemed in default, with respect to failure to perform any of the terms, covenants, obligations, and conditions of this Lease, if same shall be due to any strike, lockout, civil commotion, war-like operation, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, inability to obtain any materials, service or financing through act of God or other cause beyond control of Landlord. Tenant agrees that no partner, shareholder, director, officer, employee, agent or other representative of Landlord will be liable for any of Landlord's obligations under the lease. Tenant's obligation to pay rent and other amounts due

under this Lease are covenants independent of the Landlord's obligations under the lease.

XVIII. SUBORDINATION & ATTORNMENT

- a. This Lease is subject and subordinate to all and any reciprocal easement agreements or any other easements affecting the Leased Premises or the Land (each, an "Easement") and all ground or underlying leases (each, a "Superior Lease") of the Land. This provision shall be self-operative and no further instrument of subordination shall be required; provided, however, that Tenant shall execute, acknowledge and deliver such further instrument(s) in recordable form confirming this subordination as may be reasonably requested by Landlord, the holder of any Mortgage or the lessor under any Superior Lease. At the option of the holder of any Mortgage, this Lease shall be made superior to such Mortgage by the insertion therein of a declaration that this Lease is superior.

XIX. CONDEMNATION

- a. If all or substantially all of Premises shall be taken for any public or quasi-public use under any statute, or by the right of eminent domain or threat of the power of eminent domain, then all further obligations of Tenant and Landlord under this Lease shall cease and terminate as of the date on which Tenant is deprived of the physical possession and occupancy of the same.
- b. If a part of the Premises but less than all or substantially all of the Premises is taken by a public body vested with the power of eminent domain, as a result of such taking Tenant cannot reasonably carry on its business on the remaining portion of the Premises in substantially the same or similar manner in which it had heretofore been ordinarily conducted, then Tenant, at its option, shall have the right to either:
 - i. Terminate this Lease upon written notice to Landlord given at any time within sixty (60) days after Tenant shall be required to surrender possession of the condemned portion of said Leased Premises, or
 - ii. Continue operating under this Lease without any change in the provisions hereof except that thereafter the Base Rent and the payment thereafter payable shall be determined by multiplying such payments otherwise payable by a fraction, the numerator of which shall be the number of square feet of net rentable space in the residual portion of the Leased Premises after such taking, and the denominator of which shall be the square feet of net rentable space of the Leased Premises originally subject hereto.
- c. The condemnation award or any payment made in lieu thereof shall be the sole property of Landlord, whether such award or payment is made for the taking of the fee or the leasehold estate; provided, however, nothing contained herein shall preclude Tenant from obtaining any such award or payment for loss or damage to Tenant's trade fixtures and removable personal property or for damages for

cessation or interruption of Tenant's business.

XX. CASUALTY

- a. If the Premises is damaged or destroyed by fire or other casualty such that less than 50% of the space is unusable or such costs to repair the Premises is less than \$500,000, Landlord shall, at its sole cost and expense, replace that portion of such improvements that Landlord hereunder is obligated to maintain as nearly as possible to the value, condition, and character thereof which existed immediately prior to such damages or destruction. If the Premises damaged cause more than 50% of the space to be unusable, or if such costs to repair the Premises is greater than \$500,000, then Landlord shall, at its sole option, elect to terminate this Lease within thirty (30) days of the occurrence of an event of destruction by giving Tenant written notice of its election to do so.
- b. Any provisions hereof to the contrary notwithstanding, should Landlord elect to make the repairs and restorations referred to therein only to the extent that the amount of the insurance proceeds received by Landlord as a result of such damage or destruction is sufficient to pay the cost and if Landlord does not elect to bear the balance of such cost, Tenant shall have the right to terminate this Lease by giving Landlord thirty (30) days written notice.
- c. If during the period between the occurrence of damage or destruction referred to in this Lease and the completion of such repairs and restorations the Tenant is totally precluded from conducting its business on the Leased Premises, the entire Base Rent shall abate. If as a result of the foregoing Tenant is only partially precluded from conduction of such business, such Base Rent shall be proportionately abated based on the average sales during such period compared to sales prior to such casualty.
- d. Tenant agrees that Landlord will not be liable to Tenant for any inconvenience or loss of business on account of repairs required to be made by Landlord under the Lease, except to the extent such failure constitutes a default.

XXI. ASSIGNMENT AND SUBLETTING

- a. Tenant shall not assign, or in any manner transfer this Lease or interest therein, sublet the Premises or any part thereof, without the prior written consent of Landlord, not to be unreasonably withheld.

XXII. ATTORNEY'S FEES

- a. In the event it shall become necessary for Landlord or Tenant to employ the services of an attorney to enforce any of its rights under this Lease or to collect any sums due to it under this Lease or to remedy the breach of any covenant of this Lease on the part of the other to be kept or performed, the prevailing party in trial and appellate court and/or bankruptcy court shall be entitled to reimbursement for such

reasonable fees and costs, legal and paralegal, as shall be charged by said prevailing party's attorney for such services.

XXIII. SEVERANCE

- a. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby. Each term and provision of this Lease shall be valid and be enforced to the fullest extent by law.

XXIV. WAIVERS

- a. The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or of any other term, covenant or condition herein contained. The subsequent acceptance of Base Rent, additional charges, or any or all other monetary obligations of Tenant, hereunder, whether or not denoted as rent or additional charges or otherwise by Landlord or Tenant, shall not be deemed to be a waiver of any preceding breach or default by Tenant of any term, covenant or condition of this Lease, other than the failure of Tenant to make the particular payment so accepted, regardless of Landlord's knowledge of such preceding breach.

XXV. ENTIRE AGREEMENT

- a. It is understood and agreed by Landlord and Tenant that no oral statements or prior written matter not specifically incorporated herein shall be of any force or effect. Tenant agrees that by entering into and taking this Lease, it relies solely upon the representations and agreements contained in this Lease and no other. This Lease shall not be modified except by in writing executed by both parties hereto.

XXVI. APPLICABLE LAWS

- a. This Lease and the rights and obligations of the parties hereto shall be interpreted, construed and enforced in accordance with the internal laws of the State of Florida in effect and from time to time amended. Any litigation concerning this Lease between the parties hereto shall be initiated in Columbia County.

XXVII. NOTICES

- a. Any notice required or permitted to be given hereunder by one party to the other shall be in writing, and the same shall be given and shall be deemed to have been served and given if delivered in person to the address set forth hereinafter for the party to whom notice is given, or when deposited in the United States mail, postage prepaid by registered or certified mail, return receipt requested, addressed to the party at the address hereinafter specified.

- b. The address for Landlord for all purposes of this Lease and for all notices hereunder shall be:

Columbia County
Ben Scott, County Manager
135 NE Hernando Avenue, Suite 203
Lake City, FL 32056
Phone: 386-755-4100

- c. The address for Tenant for all purposes of this Lease and for all notices hereunder shall be:

Halpatter Brewing, LLC
c/o Christopher Candler, General Manager
434 NW Lake Valley Terr.
Lake City, FL 32055
Phone: 386-984-9125

Or to any other address or addresses as any party may designate from time to time by notice given in accordance with the Section. Any such notice will be deemed delivered as provided by mailbox rule.

XXVIII. RADON GAS

- a. Florida Statutes requires the following notice be given: "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to person 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 Public Health Unit." This disclosure is made pursuant to Florida Statutes Section 404.056(8) and is not intended to be a warrant by any party as to the presence or absence in the Leased Premises of radon gas.

TENANT ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THE LEASE, NEITHER LANDLORD NOR ANY AGENT OR REPRESENTATIVE OF LANDLORD HAS MADE ANY REPRESENTATIONS, WARRANTIES, OR STATEMENTS WITH RESPECT TO THE LEASED PREMISES.

NEITHER PARTY, SHALL RECORD THIS LEASE OR ANY MEMORANDUM OR NOTICE THEREOF WITHOUT OTHER PARTIES PRIOR WRITTEN CONSENT OTHER THAN THE SUBORDINATION AND NON DISTURBANCE AGREEMENT.

LANDLORD AND TENANT EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT WHICH

EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS LEASE, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTION OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS LEASE.

IN WITNESS WHEREOF, this Lease has been duly executed, under seal, as of the day and year first above written.

COLUMBIA COUNTY, FLORIDA

Attest: *Katherine Vachon*
for P. DeWitt Cason, Clerk of Court

By: *Bucky Nash*
Bucky Nash, Chairman
Columbia County Board of
County Commissioners

Approved as to Form:

Joel F. Foreman
Joel F. Foreman, County Attorney

Witnesses:

[Signature]
Sign

Print

Donna L. Smith
Sign

Donna L. Smith
Print

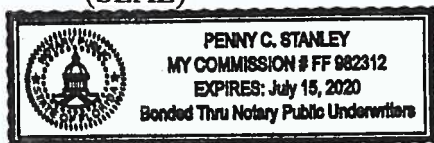
HALPATTER BREWING COMPANY, LLC

By: *[Signature]*
Christopher D. Candler
Managing Member

**STATE OF FLORIDA
COUNTY OF COLUMBIA**

The foregoing instrument was acknowledged before me by **CHRISTOPHER D. CANDLER**, as **Managing Member of HALPATTER BREWING COMPANY, LLC**, this 5th day of August, 2016, who is personally known to me or produced _____ as identification.

(SEAL)



[Signature]

NOTARY PUBLIC
