
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1994.

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM
TO

COMMISSION FILE NUMBER 0-7201.

POE & BROWN, INC.
(Exact name of Registrant as specified in its charter)

FLORIDA	59-0864469
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

220 SOUTH RIDGEWOOD AVE., DAYTONA BEACH, FL 32114
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (904) 252-9601

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:

COMMON STOCK $.10 PAR VALUE
(Title of class)

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS, AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST NINETY (90) DAYS. YES X NO

INDICATE BY CHECK MARK IF DISCLOSURE OF DELINQUENT FILERS PURSUANT TO ITEM 405 OF REGULATION S-K IS NOT CONTAINED HEREIN AND WILL NOT BE CONTAINED, TO THE BEST OF THE REGISTRANT'S KNOWLEDGE, IN DEFINITIVE PROXY OR INFORMATION STATEMENTS INCORPORATED BY REFERENCE IN PART III OF THIS FORM 10-K OR ANY AMENDMENT TO THIS FORM 10-K [ ].

THE AGGREGATE MARKET VALUE OF THE VOTING STOCK HELD BY NON-AFFILIATES OF THE REGISTRANT, COMPUTED BY REFERENCE TO THE LAST REPORTED PRICE AT WHICH THE STOCK WAS SOLD ON MARCH 22, 1995, WAS $82,482,980.

THE NUMBER OF SHARES OF THE REGISTRANT'S COMMON STOCK, $.10 PAR VALUE, OUTSTANDING AS OF MARCH 22, 1995, WAS 8,641,998.

DOCUMENTS INCORPORATED BY REFERENCE

PORTIONS OF THE REGISTRANT'S 1994 ANNUAL REPORT TO SHAREHOLDERS ARE INCORPORATED BY REFERENCE INTO PARTS I AND II OF THIS REPORT. WITH THE EXCEPTION OF THOSE PORTIONS WHICH ARE INCORPORATED BY REFERENCE, THE REGISTRANT'S ANNUAL REPORT TO SHAREHOLDERS IS NOT DEEMED FILED AS PART OF THIS REPORT.

PORTIONS OF THE REGISTRANT'S PROXY STATEMENT FOR THE 1995 ANNUAL MEETING OF SHAREHOLDERS ARE INCORPORATED BY REFERENCE INTO PART III OF THIS REPORT.

POE & BROWN, INC.

FORM 10-K ANNUAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1994

PART I

ITEM 1. BUSINESS

GENERAL

Poe & Brown, Inc. (the Company) is a general insurance agency headquartered in Daytona Beach and Tampa, Florida that resulted from an April 28, 1993 merger involving Poe & Associates, Inc. (Poe) and Brown & Brown, Inc. (Brown). Poe was incorporated in 1958 and Brown commenced business in 1939. Industry segment information is not presented because the Company realizes substantially all of its revenues from the general insurance agency business.

The Company's insurance agency business is comprised of (i) general retail operations, which provide all types of insurance products to a broad range of commercial, professional, and personal clients; (ii) national program operations, which market professional liability, property and casualty insurance to members of various professional and trade associations through independent agents; (iii) brokerage operations, which distribute excess and surplus commercial insurance through independent agents; and (iv) service operations, which provide insurance-related services such as third-party administration and consultation for workers' compensation and employee benefit self-insurance markets.

The Company's activities are conducted by 21 offices located throughout Florida, and in offices located in Arizona, California, Colorado, Connecticut, Georgia, New Jersey, North Carolina and Texas. Because the Company's business is concentrated in Florida, the occurrence of adverse economic conditions or an adverse regulatory climate in Florida could have a materially adverse effect on its business, although the Company has not encountered such conditions in the past.

The following table sets forth a summary of the commission and fee revenues realized from each of the Company's operating divisions for each of the five years in the period ended December 31, 1994 (in thousands of dollars):

	1994	1993	1992	1991	1990
Retail Operations(1).....	$53,992	$56,580	$55,749	$49,597	$48,552
National Programs(1).....	26,519	22,408	18,100	18,282	17,852
Service Operations.....	10,643	11,700	10,716	9,806	8,912
Brokerage Operations.....	2,672	1,662	1,562	2,174	2,178
Total.....	$93,826	$92,350	$86,127	$79,859	$77,494
% of Total Revenues.....	94%	97%	96%	96%	97%

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(1) Certain 1993 Retail Operations revenues (totaling approximately $1.6 million) have been reclassified to National Programs to conform with the 1994 classification. Prior to 1993, the program revenues being reclassified were included in the individual retail branch results. Accordingly, 1992, 1991 and 1990 revenues have not been reclassified.

The amount of the Company's income from commissions and fees is a function of, among other factors, continued new business production, retention of existing customers, acquisitions, and fluctuations in insurance premium rates and insurable exposure units.

The Company is compensated for its services primarily by commissions paid by insurance companies. The commission is usually a percentage of the premium paid by an insured. Commission rates generally depend upon the type of insurance, the particular insurance company and the nature of the services provided by the Company. In some cases, a commission is shared with other agents or brokers who have acted jointly with the Company in the transaction. The Company may also receive from an insurance company a contingent

commission that is generally based on the profitability and volume of business placed with it by the Company over a given period of time. Fees of the Company are principally generated by the service operations division, which offers administration and benefit consulting services primarily in the workers' compensation and employee benefit self-insurance markets.

Insurance premium rates are cyclical in nature and can vary widely based on insurance market conditions. Significant reductions in premium rates occurred during the years 1987 through 1989 and continued, although to a lesser degree, during 1990 through 1994. Because the insurance companies control the pricing of the products the Company sells, the Company is unable to predict the effect of this cyclical pattern on its future operating results.

RETAIL OPERATIONS

The Company's retail insurance agency business consists primarily of the selling and marketing of property and casualty insurance coverages to commercial, professional, and to a limited extent, individual customers. The categories of insurance principally sold by the Company are: Casualty -- insurance relating to legal liabilities, workers' compensation, commercial and private passenger automobile coverages, and fidelity and surety insurance; and Property -- insurance against physical damage to property and resultant interruption of business or extra expense caused by fire, windstorm or other perils. The Company also sells and services all forms of group and individual life, accident, health, hospitalization, medical and dental insurance programs. Each category of insurance is serviced by insurance specialists employed by the Company.

No material part of the Company's retail business depends upon a single customer or a few customers. During 1994, the Company received approximately $1,107,000 of fees and commissions from Rock-Tenn Company, the Company's largest single retail customer, of which approximately $742,000 was attributed to the service operations division. Such aggregate amount represented less than 2% of the Company's total commission and fee revenues for 1994.

In connection with the selling and marketing of insurance coverages, the Company provides a broad range of related services to its customers, such as risk management surveys and analysis, consultation in connection with placing insurance coverages and claims processing. The Company believes these services are important factors in securing and retaining customers.

NATIONAL PROGRAMS

The Company engages extensively in the mass marketing and placement of professional liability insurance and property and casualty insurance for members of various professional and trade associations, including dentists, attorneys, physicians, optometrists, and opticians, and to members of the wholesale distribution industry, towing operators and automobile dealerships. Typically, the Company tailors an insurance product to the needs of a particular professional or trade association, negotiates policy forms, coverages, and premium and commission rates with an insurance company, and in certain cases, secures the formal or informal endorsement of the product by an association. Under agency agreements with the insurance companies that underwrite these programs, the Company usually has authority to bind coverages, subject to established guidelines, to bill and collect premiums and, in some cases, to process claims. Insurance products are marketed nationally to association members primarily through independent agents who solicit customers through advertisements in association publications, direct mailings and personal contact.

The largest program marketed by the Company is a package insurance policy known as the Professional Protector Plan(R), which provides comprehensive coverages for dentists, including practice protection and professional liability. This program is endorsed by more than 25 state dental societies and is presently marketed in 49 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Since 1984, substantially all dental policies under this program have been underwritten through CNA Insurance Companies (CNA), with the Company serving as an agent for CNA.

The Company markets the Professional Protector Plan(R) through a network of independent agents who solicit customers through advertisements in professional publications, direct mail and personal contact. This

program presently insures approximately 37,600 dentists, representing approximately 27% of the practicing dentists within the Company's marketing territories.

The Company began marketing lawyers' professional liability insurance in 1973. The national Lawyer's Protector Plan(R) was introduced in 1983 and is presently marketed in 45 states, the District of Columbia and the U.S. Virgin Islands. Since 1983, the Lawyer's Protector Plan has been underwritten through CNA. The Company markets the program through a network of independent agents who solicit customers through advertisements in professional publications, direct mailings and personal contact. The program presently insures approximately 37,500 attorneys.

The Company markets professional liability insurance for physicians, surgeons, and other health care providers through a program known as the Physicians Protector Plan(R). This program is served by the Company's offices in Tampa, Florida and Glastonbury, Connecticut. The program is underwritten by CNA and is sold and marketed by, or through, independent insurance agents in Florida, Georgia, Delaware, Connecticut, New Hampshire, Rhode Island and Vermont.

The Optometric Protector Plan(R) was created in 1973 to provide optometrists and opticians with a package of practice and professional liability coverage. This program, which insures approximately 7,100 optometrists and opticians in 50 states, is predominantly underwritten by CNA. In addition to these professional liability programs, National Programs also includes a number of commercial programs as follows:

Insurance Administration Center, Inc., a wholly-owned subsidiary of the Company, operates as insurance advisor and consultant to the National Association of Wholesaler-Distributors, which represents some 40,000 wholesaler-distributors across the nation.

The Company's Professional Services Program, which originated in 1993, serves as a retail outlet within the National Programs Division and provides direct insurance sales to dentists, physicians, lawyers and optometrists in Florida.

The Towing Operator Protector Plan(R) was introduced in 1993 and currently provides specialized insurance products to tow-truck operators in 12 states. The Automobile Dealers Protector Plan(R) insures used car dealers in Florida through a program endorsed by the Florida Independent Auto Dealers Association. In 1994, this Plan expanded into five additional states, and currently insures approximately 2,200 dealers in six states.

SERVICE OPERATIONS

The Company's service operations division consists of two separate components: (i) insurance and related services as a third-party administrator (TPA) for employee health and welfare benefit plans, and (ii) insurance and related services providing comprehensive risk management and third-party administration to self-funded workers' compensation plans.

In connection with its employee benefit plan administrative services, the Company provides TPA services, including benefit consulting, benefit plan design and costing, arrangement for the placement of stop-loss insurance and other employee benefit coverages, and settlement of claims. The Company provides access to effective utilization management strategies such as pre-admission review, concurrent/retrospective review, pre-treatment review of certain non-hospital treatment plans, and medical and psychiatric case management. In addition to the administration of self-funded health care plans, the Company offers administration of flexible benefit plans, including plan design, employee communication, enrollment and reporting. The Company's workers' compensation TPA services include risk management services such as loss control, claim administration, access to major reinsurance markets, cost containment consulting, and services for secondary disability and subrogation recoveries.

The Company provides workers' compensation TPA services for approximately 2,000 employers representing more than $1.7 billion of employee payroll. The Company's largest workers' compensation contract represents approximately 76% of the Company's workers' compensation TPA revenues, or 5% of the Company's total commission and fee revenues.

BROKERAGE OPERATIONS

The Company markets excess and surplus lines, and specialty insurance products, to both the Company's retail division and other retail agencies throughout Florida and the Southeast. The Company represents various U.S. and U.K. surplus lines companies and is also a Lloyd's of London correspondent. In addition to surplus lines carriers, the Company represents admitted carriers for smaller agencies that do not have access to large insurance carrier representation. Excess and surplus products include commercial automobile, garage, restaurant, builder's risk and inland marine lines. Difficult-to-insure general liability and products liability coverages are a specialty, as is excess workers' compensation. Retail agency business is solicited through mailings and direct contact with retail agency representatives.

EMPLOYEES

As of December 31, 1994, the Company had 971 full-time equivalent employees, compared to 980 at the beginning of the year. The Company has contracts with its sales employees that include provisions restricting their right to solicit the Company's customers after termination of employment with the Company. The enforceability of such contracts varies from state to state depending upon state statutes, judicial decisions, and factual circumstances. The majority of these contracts are terminable by either party; however, the agreement not to solicit the Company's customers continues generally for a period of at least three years after employment termination.

None of the Company's employees are represented by a labor union, and the Company considers its relations with its employees to be satisfactory.

COMPETITION

The insurance agency business is highly competitive, and numerous firms actively compete with the Company in every area in which it does business. There are several hundred insurance companies and insurance agencies that conduct business in Florida and with which the Company, either directly or indirectly, competes.

Although the Company is the largest insurance agency headquartered in Florida, a number of national firms with greater resources have offices in Florida and actively compete with the Company. Because competition in the insurance business is largely based on innovation, quality of service and price, the Company believes it is well positioned to successfully compete in the markets it serves. The Company's business outside the state of Florida consists principally of the marketing and placement of association programs and localized general retail agency activities.

Several large stock and mutual insurance companies are engaged in the direct sale of insurance and do not pay commissions to agents and brokers. To date, such direct writing has had relatively little effect on the Company's operations, primarily because the Company's retail operations are commercially oriented.

REGULATION, LICENSING, AND AGENCY CONTRACTS

The Company or its designated employees must be licensed to act as agents by the Florida Department of Insurance or comparable state regulatory authorities in the other states in which the Company conducts business. Regulations and licensing laws vary in individual states and are often complex.

The applicable licensing laws and regulations in all states are subject to amendment or reinterpretation by state regulatory authorities, and such authorities are vested in most cases with relatively broad discretion as to the granting, revocation, suspension and renewal of licenses. The possibility exists that the Company could be excluded or temporarily suspended from carrying on some or all of its activities in, or otherwise subjected to penalties by, a particular state.

ITEM 2. PROPERTIES

The Company occupies office premises under noncancellable operating leases expiring at various dates. These leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges. The Company expects that most leases will be renewed or replaced upon expiration. See Note 8 of the "Notes to Consolidated Financial Statements" in the 1994 Annual Report to Shareholders for additional information on the Company's lease commitments. Information on the Company's office locations is included on pages 4 and 5 and the inside back cover of the Company's 1994 Annual Report to Shareholders, which information is incorporated herein by reference.

At December 31, 1994 the Company owned three buildings located in downtown Daytona Beach, Florida having an aggregate book value of approximately $350,000, including improvements. There are no outstanding mortgages on these buildings. These buildings generated lease revenue during 1994 of approximately $13,000. In March 1995, one of these buildings having an aggregate book value approximating $57,000 was sold for a minimal gain. The Company also owns an office condominium in Venice, Florida which has a net book value of $201,000, with no outstanding mortgage. This building is currently vacant.

ITEM 3. LEGAL PROCEEDINGS

On February 21, 1995, an Amended Complaint was filed in an action pending in the Superior Court of Puerto Rico, Bayamon Division, and captioned Cadillac Uniform & Linen Supply Company, et al. v. General Accident Insurance Company, Puerto Rico, Limited, et al. The case was originally filed on November 23, 1994, and named General Accident Insurance Company, Puerto Rico Limited, and Benj. Acosta, Inc. as defendants. The Amended Complaint added several defendants, including the Company and Poe & Brown of California, Inc. ("P&B/Cal."), a subsidiary of the Company, as parties to the case. As of March 23, 1995, neither the Company nor P&B/Cal. had been served. The Plaintiffs allege that P&B/Cal. failed to procure sufficient coverage for a commercial laundry facility which was rendered inoperable for a period of time as the result of a fire, and further allege that the Company is vicariously liable for the actions of P&B/Cal. The Amended Complaint seeks damages of $11.2 million against P&B/Cal., the Company, the Producer who handled the account and LBI Corp., a/k/a Levinson Bros., Inc. The Company and P&B/Cal. believe that P&B/Cal. has meritorious defenses to each of the claims asserted against it, and that the Company likewise has meritorious defenses to allegations premised upon theories of vicarious liability. Both the Company and P&B/Cal. intend to contest this action vigorously. In the event that damages are awarded against P&B/Cal. or the Company, P&B/Cal. and the Company believe that insurance would be available to cover such loss.

On September 9, 1994, the Company was named as a third-party defendant in a case pending in the United States District Court, Eastern District of New York, captioned Alec Sharp, an Underwriter at Lloyds on behalf of himself and other Lloyd's Underwriters and Colin Trevor Dingley, on behalf of himself and other Lloyd's Underwriters v. Best Security Corp., d/b/a Independent Armored, et al. The action has been pending since March 9, 1994, and names a number of companies (but not the Company) as defendants. The third-party complaint was filed against the Company by some of the defendants in the underlying action. The case arises from the theft of jewelry claimed to be worth approximately $7 million from an armored car owned and operated by Best Security Corp. Plaintiffs in the underlying action seek a declaratory judgment that the policy was void from inception because the insured made misrepresentations on the application. In the third-party complaint, the third-party plaintiffs allege that the Company issued certificates of insurance naming additional insureds without authorization, and claim the Company failed to communicate information given to the Company by the insured to the Underwriters at Lloyd's of London. In the event that the Underwriters prevail in the underlying action, the third-party plaintiffs seek damages in an unspecified amount from the Company. The Company intends to contest this action vigorously, and believes it has meritorious defenses to all claims alleged against it. In the event that damages are assessed against the Company, the Company believes that insurance would be available to cover such loss.

In 1992, the Internal Revenue Service (the Service) completed its examinations of the Company's federal income tax returns for the years 1988, 1989, and 1990. As a result of its examinations, the Service

issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar tax adjustments for subsequent periods through December 31, 1994, would total $6,100,000. The disputed issues related primarily to the deductibility of amortization of purchased customer accounts of approximately $5,107,000 and non-compete agreements of approximately $993,000. In addition, the Service's report included a dispute regarding the time at which the Company's payments made pursuant to certain indemnity agreements would be deductible for tax reporting purposes. During 1994, the Company was able to reach a settlement agreement with the Service with respect to certain of the disputed amortization items and the indemnity agreement payment issue. This settlement has reduced the total remaining asserted income tax deficiencies to approximately $2,800,000. Based on this settlement and review of the remaining unsettled items, the Company believes that its general income tax reserves of $800,000 are sufficient to cover its ultimate liability resulting from the settlement of the remaining items. In March 1995, the Company reached an agreement with the Service on the remaining unsettled items which will result in final assessed deficiencies of approximately $600,000. The Company's general income tax reserves are adequate to cover this amount plus any penalties and interest that may be assessed.

The Company is involved in various other pending or threatened proceedings by or against the Company or one or more of its subsidiaries that involve routine litigation relating to insurance risks placed by the Company and other contractual matters. Management of the Company does not believe that any of such pending or threatened proceedings (including the proceedings described above) will have a materially adverse effect on the consolidated financial position or future operations of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders during the Company's fourth fiscal quarter ended December 31, 1994.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Information under the captions "Stock Price Range" and "Cash Dividends Per Share" as included in Note 15 of the Notes to Consolidated Financial Statements included in the Company's 1994 Annual Report to Shareholders and information under the caption "Stock Listing" on the inside back cover page of the Company's 1994 Annual Report to Shareholders is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

Information under the caption "Selected Financial Data" on page 1 of the Company's 1994 Annual Report to Shareholders is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Information under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 20 through 25 of the Company's 1994 Annual Report to Shareholders is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements of Poe & Brown, Inc. and its subsidiaries, together with the report thereon of Ernst & Young LLP, appearing on pages 26 through 43 of the Company's 1994 Annual Report to Shareholders are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information contained under the caption "Management" on pages 4-6 of the Company's Proxy Statement for its 1995 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

Information contained under the caption "Executive Compensation" on pages 7-10 of the Company's Proxy Statement for its 1995 Annual Meeting of Shareholders is incorporated herein by reference; provided, however, the report of the Compensation Committee on executive compensation, which begins on page 10 thereof, and the stock performance graph shall not be deemed to be incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Information contained under the caption "Security Ownership of Management and Certain Beneficial Owners" on pages 2-3 of the Company's Proxy Statement for its 1995 Annual Meeting of Shareholders is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Information contained under the caption "Executive Compensation -- Compensation Committee Interlocks and Insider Participation" on pages 9-10 of the Company's Proxy Statement for its 1995 Annual Meeting of Shareholders is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a) The following documents are filed as part of this report:

1. Consolidated Financial Statements of Poe & Brown, Inc. (incorporated herein by reference from pages 26 through 43 of the Company's 1994 Annual Report to Shareholders for the year ended December 31, 1994) consisting of:

(a) Consolidated Statements of Income for each of the three years in the period ended December 31, 1994.

(b) Consolidated Balance Sheets as of December 31, 1994 and 1993.

(c) Consolidated Statements of Shareholders' Equity for each of the three years in the period ended December 31, 1994.

(d) Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 1994.

(e) Notes to Consolidated Financial Statements.

(f) Report of Independent Certified Public Accountants.

2. Consolidated Financial Statement Schedule included on page 10 of this report, consisting of:

(a) Schedule II -- Valuation and Qualifying Accounts.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or the Notes thereto.

3. EXHIBITS

3a	--	Certificate of Incorporation of the Registrant, as last amended on April 28, 1993 (filed herewith).
3b	--	Amended and restated By-Laws of the Registrant effective March 22, 1994 (incorporated by reference to Exhibit 3b to Registration Statement No. 33-58090 on Form S-4).
4	--	Revolving Loan Agreement dated November 9, 1994, by and among the Registrant and SunBank, National Association (filed herewith).
10a(1)	--	Lease of Registrant for office space at 702 North Franklin Street, Tampa, Florida (incorporated by reference to Exhibit 10a to Form 10-K for the year ended December 31, 1984).
10a(2)	--	Amendment dated August 27, 1987, to lease of Registrant for office space at 702 North Franklin Street, Tampa, Florida (incorporated by reference to Exhibit 10a(2) to Form 10-K for the year ended December 31, 1987).
10a(3)	--	Lease of Registrant for office space at 220 South Ridgewood Avenue, Daytona Beach, Florida dated August 15, 1987 (incorporated by reference to Exhibit 10a(3) to Form 10-K for the year ended December 31, 1993).
10a(4)	--	Lease agreement for office space at Landmark Centre, Tampa, Florida, dated February 1995, between Southeast Financial Center Associates, as landlord and Registrant, as tenant (filed herewith).
10b	--	Registrant's 1985 Stock Option Plan (incorporated by reference to Exhibit 10b(1) to Form 10-K for the year ended December 31, 1984).
10c	--	Registrant's 1989 Stock Option Plan (incorporated by reference to Exhibit 10f to Form 10-K for the year ended December 31, 1989).
10d	--	Loan Agreement between Continental Casualty Company and Registrant dated August 23, 1991 (incorporated by reference to Exhibit 10d to Form 10-K for the year ended December 31, 1991).
10e	--	Indemnity Agreement dated January 1, 1979, among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10g to Registration Statement No. 33-58090 on Form S-4).
10f	--	Agency Agreement dated January 1, 1979 among the Registrant, Whiting National Management, Inc., and Pennsylvania Manufacturers' Association Insurance Company (incorporated by reference to Exhibit 10h to Registration Statement No. 33-58090 on Form S-4).
10g	--	Indemnification Agreement, dated February 22, 1993, between the Registrant and William F. Poe, Sr. (incorporated by reference to Exhibit 10k to Registration Statement No. 33-58090 on Form S-4).*
10h	--	Indemnification Agreement, dated April 28, 1993, as amended March 24, 1994, between the Registrant and J. Hyatt Brown (incorporated by reference to Exhibit 10h to Form 10-K for the year ended December 31, 1993).
10i	--	Deferred Compensation Agreement, dated May 1, 1983, as amended April 27, 1993, between the Registrant and Kenneth E. Hill (incorporated by reference to Exhibit 10i to Form 10-K for the year ended December 31, 1993).
10j	--	Employment Agreement, dated April 28, 1993 between the Registrant and William F. Poe, Sr. (incorporated by reference to Exhibit 10j to Form 10-K for the year ended December 31, 1993).
10k	--	Employment Agreement, dated April 28, 1993 between the Registrant and J. Hyatt Brown (incorporated by reference to Exhibit 10k to Form 10-K for the year ended December 31, 1993).

101	--	Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Kenneth E. Hill (incorporated by reference to Exhibit 101 to Form 10-K for the year ended December 31, 1993).
10m	--	Portions of Employment Agreement, dated April 28, 1993 between the Registrant and Jim W. Henderson (incorporated by reference to Exhibit 10m to Form 10-K for the year ended December 31, 1993).
10n	--	Portions of Promissory Note and Security Agreement, dated January 20, 1995, between William F. Poe Sr., and the Registrant (filed herewith).
11	--	Portions of Statement Re: Computation of Per Share Earnings (filed herewith).
13	--	Portions of Registrant's 1994 Annual Report to Shareholders (not deemed "filed" under the Securities Exchange Act of 1934, except for those portions specifically incorporated by reference herein).
22	--	Subsidiaries of the Registrant (incorporated by reference to Exhibit 22 to Form 10-K for the year ended December 31, 1993).
23	--	Consent of Ernst & Young LLP (filed herewith).
27	--	Financial Data Schedule (filed herewith).

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* The registrant has Indemnification Agreements with certain of its other directors and former directors (Joseph E. Brown, Bruce G. Geer, V.C. Jordan, Jr., Byrne Litschgi, Charles W. Poe, William F. Poe, Jr., and Bernard H. Mizel) that are identical in all material respects to Exhibit 10g except for the parties involved and the dates executed.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the fourth quarter of 1994.

SCHEDULE II

POE & BROWN, INC. AND SUBSIDIARIES

VALUATION AND QUALIFYING ACCOUNTS
YEARS ENDED DECEMBER 31, 1994, 1993 AND 1992

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
		ADDITIONS			
DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	(1) CHARGED TO COST AND EXPENSES	(2) CHARGED TO OTHER ACCOUNTS--DESCRIBE	DEDUCTIONS -- DESCRIBE	BALANCE AT END OF PERIOD
Year ended December 31, 1994					
Deducted from asset account:					
Allowance for doubtful accounts	$435,000	$ 19,000	$ --	$ 385,000(A)	$69,000
Year ended December 31, 1993					
Deducted from asset account:					
Allowance for doubtful accounts	$590,000	$562,000	$ --	$ 717,000(A)	$435,000
Year ended December 31, 1992					
Deducted from asset account:					
Allowance for doubtful accounts	$250,000	$318,000	$ --	$ 409,000(A)	$590,000

(A) Uncollectible accounts written off, net of recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

POE & BROWN, INC.
Registrant

By: /s/ J. HYATT BROWN
J. Hyatt Brown
Chief Executive Officer

Date: March 29, 1995

Pursuant to the requirements of the Securities Act of 1934, this report has been signed by the following persons on behalf of the Registrant and in the capacities and on the date indicated.

SIGNATURE	TITLE	DATE
/s/ J. HYATT BROWN J. Hyatt Brown	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 29, 1995
/s/ SAMUEL P. BELL, III Samuel P. Bell, III	Director	March 29, 1995
/s/ BRUCE G. GEER Bruce G. Geer	Director	March 29, 1995
/s/ JIM W. HENDERSON Jim W. Henderson	Director	March 29, 1995
/s/ KENNETH E. HILL Kenneth E. Hill	Director	March 29, 1995
/s/ THEODORE J. HOEPNER Theodore J. Hoepner	Director	March 29, 1995
/s/ CHARLES W. POE Charles W. Poe	Director	March 29, 1995
/s/ WILLIAM F. POE, SR. William F. Poe, Sr.	Director	March 29, 1995
/s/ WILLIAM F. POE, JR. William F. Poe, Jr.	Director	March 29, 1995
/s/ TIMOTHY L. YOUNG Timothy L. Young	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 29, 1995

EXHIBIT INDEX

3a	Certificate of Incorporation of the Registrant, as last amended on April 28, 1993.
4	Revolving Loan Agreement dated November 9, 1994, by and among the Registrant and SunBank, National Association.
10a(4)	Lease agreement for office space at Landmark Centre, Tampa, Florida, dated February 1995, between Southeast Financial Center Associates, as landlord and Registrant, as tenant.
10n	Promissory Note and Security Agreement, dated January 20, 1995, between William F. Poe Sr., and the Registrant.
11	Statement Re: Computation of Per Share Earnings.
13	Portions of Registrant's 1994 Annual Report to Shareholders (not deemed "filed" under the Securities Exchange Act of 1934, except for those portions specifically incorporated by reference herein).
23	Consent of Ernst & Young LLP.
27	Financial Data Schedule (for SEC purposes).

EXHIBIT 3a

CERTIFICATE OF INCORPORATION

OF

POE & BROWN, INC.

(originally filed 12/31/58)
(reprinted: as in effect as of 4-28-93)

We, the undersigned Incorporators, hereby associate ourselves together and make, subscribe, acknowledge and file with the Secretary of State of Florida, this Certificate of Incorporation for the purpose of forming a corporation for profit, in accordance with the Laws of the State of Florida, under the following Charter:

ARTICLE I

The name of the Corporation shall be:
POE & BROWN, INC. (effective 4/28/93)

ARTICLE II

Section 1. The general nature of the business or businesses to be transacted by the corporation is the acting as an agent or broker in the sale of all forms of insurance.

In addition, the corporation may engage in any activity or business permitted under the laws of the United States and of the State of Florida.

Section 2. The corporation shall also have power:

(a) to construct, erect, repair and remodel buildings and structures of all types for itself and others and to manufacture, purchase, or otherwise acquire, and to own, mortgage, pledge, sell, assign, transfer or otherwise dispose of, and to invest in, trade in, deal in and with, goods, wares, merchandise, personal property and services of every class, kind and description; except that it is not to conduct a banking, safe deposit, trust, insurance surety, express, railroad, canal, telephone, telegraph or cemetery company, a building and loan

association, mutual fire insurance association, cooperative association, fraternal benefit society, state fair or exposition.

(b) To act as broker, agent or factor for any person, firm or corporation.

(c) To purchase, lease or otherwise acquire real and personal property and leaseholds thereof and interest therein, and to own, hold, manage, develop, improve, equip, maintain and operate, and to sell, convey, exchange, lease or otherwise alienate and dispose of, and to mortgage, pledge or otherwise encumber any and all such property and any and all legal and equitable rights thereunder and interests therein.

(d) To borrow or raise money for any of the purposes of the corporation, and from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness, and to secure payment thereof and any interest therein by mortgage, pledge, conveyance, or other assignment in trust, in whole or in part, of the assets of the corporation, real, personal or mixed, including contract rights, whether at the time owned or thereafter acquired.

(e) To guarantee, endorse, purchase, hold, sell, transfer, mortgage, pledge or otherwise acquire or dispose of the shares of the capital stock of, or any bonds, security, or other evidences of indebtedness created by any other corporation of the State of Florida or any other state or government, and while owner of such stock to exercise all the rights, powers, and privileges of ownership, including the right to vote such stock.

(f) To enter into, make, perform and carry out contracts and arrangements of every sort and kind which may be necessary or convenient for the business of the corporation or business of a similar nature, with any person, firm,

corporation, association or syndicate, or any private, public or municipal body existing under the government of the United States or any state, territory, colony or dependency thereof or foreign government so far as or to the extent that the same may be done or performed pursuant to law.

(g) To enter into, or become a partner in, any agreement for sharing profits, union or interests, cooperation, joint venture or otherwise, with any person, firm or corporation now carrying on or about to carry on any business which this corporation has the direct or incidental authority to pursue.

(h) To include in its By-Laws any regulatory or restrictive provisions relating to the proposed sale, transfer or other disposition of any of its outstanding stock by any of its stockholders or in the event of the death of any of its stockholders. The manner and form, as well as all relevant terms, conditions and details hereof shall be determined by the stockholders of this corporation provided, however, that no such regulatory or restrictive provision shall affect the rights of third parties without actual knowledge thereof, unless such provision shall be noted upon the certificate evidencing the ownership of said stock.

(i) In general, to do any and all of the acts and things herein set forth to the same extent as natural persons could do in any part of the world, as principal, factor, agent, contractor, broker or otherwise, either alone or in company with any entity or individual; to establish one or more offices, both within the State of Florida and any part or parts of the world, at which meetings of directors may be held and all or any part of the corporation's business may be conducted; and to exercise all or any of its corporate powers and rights in the State of Florida and in any of all other states, territories, districts, dependencies, colonies or possessions in the United States of America and in any foreign countries.

To do everything necessary, proper, advisable or convenient for the accomplishment of any of the purposes of the attainment of any of the objects or the furtherance of any of the powers herein set forth, and to do every other act and thing incidental thereto or connected therewith, to the extent permitted by law. (effective 10/13/72)

ARTICLE III

Section 1. The number of shares of capital stock entitled to be issued by this corporation is 18,000,000 shares of Common Stock, par value $.10 per share. (effective 4/28/93)

Section 2. All or any part of the Common Stock may be paid for in cash or in property or in services at a fair evaluation to be fixed by the Board of Directors. All stock, when issued, shall be fully paid and non-assessable. The Common Stock shall entitle the holder of each share thereof to one vote for each share at any meeting of the stockholders. No holder of any Common Stock shall have any pre-emptive rights of any kind. (effective 10/13/72)

ARTICLE IV

The amount of capital with which this corporation will begin business will be Five Hundred Dollars ($500).

ARTICLE V

The corporation shall have perpetual existence.

ARTICLE VI

The principal office of the corporation shall be located at 608 Jackson Street, in Tampa, Hillsborough County, Florida, or at such other place as the Board of Directors may direct; and the corporation shall have the power to establish branch offices and other places of business at such other places, within or without the State of Florida, as may be determined and deemed expedient by the Board of Directors.

ARTICLE VII

The Board of Directors shall consist of not less than three (3) directors. The number of directors may be increased or diminished from time to time by action in accordance with the By-Laws of the corporation. All of the said directors shall be at least twenty-one (21) years of age and at least one of them shall be a citizen of the United States. (effective 10/13/72)

ARTICLE VIII

The names and post office address of the first Officers and Board of Directors, who, subject to this Certificate of Incorporation, the By-Laws of this corporation and the laws of the State of Florida, shall hold office for the first year of the corporation's existence or until their successors are elected and have qualified, are:

President	W. F. Poe	7702 Park Drive Tampa, Florida
Vice-President	William T. Driscoll, Jr.	2903 Beach Drive Tampa, Florida
Vice-President	William C. McElmurray	101 Adalia Tampa, Florida
Secretary-Treasurer	Charles W. Poe	4807 Sunset Blvd. Tampa, Florida

The Board of Directors shall consist of the foregoing individuals.

ARTICLE IX

The name and post office address of each subscriber to this Certificate of Incorporation of this Company, and the number of shares of Common Stock each agrees to take, are:

W. F. Poe	7702 Park Drive Tampa, Florida	20 shares
William T. Driscoll, Jr.	2903 Beach Drive Tampa, Florida	20 shares
Charles W. Poe	4807 Sunset Blvd. Tampa, Florida	20 shares

the proceeds of which will amount to at least $600.00.

ARTICLE X

Section 1. For the regulation of the business and for the conduct of the affairs of the corporation, to create, divide, limit and regulate the powers of the corporation, the Directors and the Stockholders, provision is made as follows:

(a) General authority is hereby conferred upon the Board of Directors of the corporation, except as the Stockholders may otherwise from time to time provide or direct, to fix the consideration for which the shares of stock of the corporation shall be issued and disposed of, and to provide when and how such consideration shall be paid.

(b) Meetings of the incorporators, of the Stockholders, and of the Directors of the corporation, for all purposes, may be held at any place, either inside or outside of the State of Florida.

(c) All corporate powers, including the sale, mortgage, hypothecation, and pledge of the whole or any part of the corporate property, shall be exercised by the Board of Directors, except as otherwise expressly provided by law.

(d) The Board of Directors shall have power from time to time to fix and determine and vary the amount of the working capital of the corporation and direct and determine the use and disposition of any surplus or net profits over and above the capital stock paid in, and in its discretion, the Board of Directors may use and apply any such surplus or accumulated profits in purchasing or acquiring bonds or other obligations of the corporation or shares of its own capital stock, to such extent, in such manner and upon such terms as the Board of Directors may deem expedient, but any shares of such capital stock so purchased or acquired may not be resold unless such shares shall have been retired in the manner provided by law for the purpose of decreasing the corporation's capital stock.

(e) The Board of Directors shall have the power of fixing the compensation, by way of salaries and/or bonuses, and/or pensions, of the employees, the agents, the officers, and directors, all or each of them, in such sum and form and amount as may seem reasonable in and by their discretion.

(f) The Board of Directors may designate from their number an executive committee, which shall, for the time being, in the intervals between meetings of the Board and to the extent provided by the By-Laws and authorized by law, exercise the powers of the Board of Directors in the management of the affairs and business of the corporation.

(g) Any one or more of all of the directors may be removed, either with or without cause, at any time, by the vote of the stockholders holding a majority of the stock entitled to vote of the corporation, at any special meeting, and thereupon the term of each director or directors who shall have been so removed shall forthwith terminate, and there shall be a vacancy or vacancies in the Board of Directors, to be filled as provided by the By-Laws.

(h) Any officers of the corporation may be removed either with or without cause, at any time, by vote of a majority of the Board of Directors.

(i) No contract or other transaction between the corporation and any other corporation shall be affected or invalidated by the fact that any one or more of the directors or officers of this corporation is or are interested in or is a director or officer or are directors or officers of such other corporation, nor shall such contract or other transaction be affected by the fact that the directors or officers of the corporation are personally interested therein. Any director or directors, officer or officers, individually or jointly, may be a party or parties to or may be interested in any contract or transaction of or with this corporation or in which this corporation is interested; and no contract, act or transaction of this corporation with

any person or persons, firm, association, or corporation shall be affected or invalidated by the fact that any director or directors or officer or officers of this corporation is a part or are parties to, or interested in, such contract, act or transaction or in any way connected with such person or persons, firm, association or corporation, and each and every person who may become a director or officer of this corporation is hereby relieved, as far as is legally permissible, from any disability which might otherwise prevent him from contracting with the corporation for the benefit of himself or of any firm, association or corporation in which he may be in anywise interested.

(j) Subject always to By-Laws made by the Stockholders, the Board of Directors may make By-Laws and from time to time alter, amend or repeal any By-Laws, but any By-Laws made by the Board of Directors may be altered or repealed by the Stockholders.

(k) No holder of shares of the capital stock of any class of the corporation shall have a pre-emptive or preferential right of subscription to any shares of any class of stock of the corporation, whether now or hereafter authorized, or to any obligations convertible into stock of the corporation, issued or sold, nor any right of subscription to any thereof other than such, if any, as the Board of Directors, in its discretion, may from time to time determine and at such price as the Board of Directors may from time to time fix; and any shares of stock or convertible obligations which the corporation may determine to offer for subscription to the holders of stock may, as the Board of Directors shall determine, be offered to more than one class of stock, in such proportions as between said classes of stock as the Board of Directors in its discretion may determine. As used in this paragraph, the expression "convertible obligations" shall include any notes, bonds or other evidences of indebtedness to which are attached or with which are issued

warrants or other rights to purchase stock of the corporation of any class or classes; and the Board of Directors is hereby expressly authorized, in its discretion, in connection with the issue of any obligations or stock of the corporation (but without intending hereby to limit its general power so to do in any other cases) to grant rights or options to purchase stock of the corporation of any class upon which terms and during such periods as the Board of Directors shall determine, and to cause such rights or options to be evidenced by such warrants or other instruments as it may deem advisable.

(1) The By-Laws of the corporation may provide for the indemnification of the officers and directors of the corporation for their actions and omissions up to the maximum extent permitted by law. (effective 10/13/72)

ARTICLE XI

These Articles of Incorporation may be amended in the manner provided by law. Every amendment shall be approved by the Board of Directors, proposed by them to the Stockholders, and approved at a Stockholders' meeting by a majority of the stock entitled to vote thereon, unless all the Directors and all the Stockholders sign a written statement manifesting their intention that a certain amendment of these Articles of Incorporation be made. (effective 10/13/72)

EXHIBIT 4

11-8-94

Execution Draft

REVOLVING LOAN AGREEMENT

Dated as of November 9, 1994

By And Among

POE & BROWN, INC.

and

SUN BANK, NATIONAL ASSOCIATION,

TABLE OF CONTENTS

SCHEDULES

EXHIBITS

REVOLVING LOAN AGREEMENT

THIS REVOLVING LOAN AGREEMENT, dated as of November 9, 1994 (the "Agreement") by and among POE & BROWN, INC. (the "Borrower"), a Florida corporation, and SUN BANK, NATIONAL ASSOCIATION, a national banking association (the "Lender").

W I T N E S E T H:

THAT for and in consideration of the mutual covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

SECTION 1.1 DEFINITIONS. As used in this Agreement, and in any instrument, certificate, document or report delivered pursuant thereto, the following terms shall have the following meanings (to be equally applicable to both the singular and plural forms of the term defined):

"ADVANCE" shall mean any principal amount advanced and remaining outstanding at any time under the Revolving Loan which Advance shall be made or outstanding as a Base Rate Advance or a Eurodollar Advance, as the case may be.

"AFFILIATE" of any Person means any other Person directly or indirectly controlling, controlled by, or under common control with, such Person, whether through the ownership of voting securities, by contract or otherwise. For purposes of this definition, "control" (including with correlative meanings, the terms "controlling", "controlled by", and "under common control with") as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that Person.

"AGREEMENT" shall mean this Revolving Loan Agreement, as originally executed and as it may be from time to time supplemented, amended, restated, renewed or extended and in effect.

"APPLICABLE MARGIN" shall mean:

(a) 0.00% for a Base Rate Advance

(b) Until December 31, 1994 0.50% for a Eurodollar Advance. On and after December 31, 1994, the Applicable Margin for a Eurodollar Advance shall be the percentage designated below based on the Borrower's Funded Debt to Capital Ratio and the Borrower's Funded Debt to Cash Flow Ratio, measured quarterly:

	Funded Debt to Capital		
Funded Debt to Cash Flow	> or = .45	> .35 & < .45	< or = .35
> or = 1.00x	L + 1.25%	L + 1.00%	L + 0.75%
< 1.00x	L + 1.00%	L + 0.75%	L + 0.50%

provided, however, that adjustments, if any, to the Applicable Margin based on changes in the Ratios set forth above shall be made and become effective on the first day of the second fiscal quarter after the Statement Date.

"ASSET VALUE" shall mean, with respect to any property or asset of any Consolidated Company as of any particular date, an amount equal to the greater of (i) the then book value of such property or asset as established in accordance with GAAP, and (ii) the then fair market value of such property or asset as determined in good faith by the board of directors of such Consolidated Company.

"AVAILABILITY FEE" shall mean a fee based upon the unused portion of the Revolving Loan Commitment of the Lender. Such fee shall be computed at a rate equal to 0.25% per annum (calculated on an actual/360 day year) on the average daily unused portion of the Revolving Loan Commitment, and shall be payable to the Lender quarterly in arrears on the last calendar day of each fiscal quarter of Borrower and on the Maturity Date.

"BANKRUPTCY CODE" shall mean The Bankruptcy Code of 1978, as amended and in effect from time to time (11 U.S.C. Section Section 101 et seq.).

"BASE ADVANCE RATE" shall mean, with respect to a Base Rate Advance, the rate obtained by adding (A) the Base Rate, and (B) the Applicable Margin for a Base Rate Advance.

"BASE RATE" shall mean (with any change in the Base Rate to be effective as of the date of change of either of the following rates) the higher of (a) the rate which the Lender designates from time to time to be its prime lending rate, as in effect from time to time, and (b) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%) (i.e. 50 basis points) per annum. The Lender's prime lending rate is a reference rate and does not necessarily represent the lowest or best rate charged to its customers; the Lender may make commercial loans or other loans at rates of interest at, above or below the Lender's prime lending rate.

"BASE RATE ADVANCE" shall mean an Advance bearing interest based on the Base Rate.

"BASE RATE LOAN" shall mean a Loan which bears interest at the Base Advance Rate.

"BORROWING" shall mean the making of a Loan, the extension of an Advance, or the conversion of a Loan of one Type into a Loan of another Type.

"BUSINESS DAY" shall mean, with respect to Eurodollar Advances, any day other than a day on which commercial banks are closed or required to be closed for domestic and international business, including dealings in Dollar deposits on the London Interbank Market, and with respect to all other Loans and matters, any day other than Saturday, Sunday and a day on which commercial banks are required to be closed for business in Orlando, Florida.

"CAPITALIZED LEASE OBLIGATIONS" shall mean all lease obligations which have been or are required to be, in accordance with GAAP, capitalized on the books of the lessee.

"CAPITAL STOCK" of any Person shall mean any shares, equity or profits interests, participations or other equivalents (however designated) of capital stock and any rights, warrants or options, or other securities convertible into or exercisable or exchangeable for any such shares, equity or profits interest, participations or other equivalents, directly or indirectly (or any equivalent ownership interest, in the case of a Person which is not a Corporation.

"CERCLA" has the meaning set forth in Section 6.15(a) of this Agreement.

"CLOSING DATE" shall mean the date on or before November 17, 1994, on which the initial Loan is made and the conditions set forth in Section 5.1 are satisfied or waived in accordance with Section 11.3.

"CLOSING FEES" shall mean the fees paid by the Borrower to the Lender as otherwise agreed.

"CODE" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"COLLATERAL" shall mean a first, perfected security interest (subject to the Permitted Liens) in all the assets, real and personal, intangible and tangible, of the Consolidated Companies, including a pledge of all the Capital Stock of each Consolidated Subsidiary, now owned or hereafter acquired.

"CONSENT BY LESSOR" shall mean the written agreement to the Lender by a landlord for any Material Place of Business which is leased by any Consolidated Company by which said landlord agrees that any landlord's lien, security interest, or any other encumbrance which the landlord may at any time have in or to any property of the Consolidated Company as a tenant for said Material Place of Business is subordinate in all respects to the Lien granted Lender in any personal property of said Consolidated Company.

"CONSOLIDATED COMPANIES" shall mean, collectively, Borrower and all of its Subsidiaries.

"CONSOLIDATED NET INCOME (LOSS)" shall mean, for any fiscal period of Borrower, the net income (or loss) of the Consolidated Companies on a consolidated basis for such period (taken as a single accounting period) determined in conformity with GAAP; provided that there shall be excluded therefrom (i) any items of gain or loss, together with any related provision for taxes, which were included in determining such consolidated net income and were not realized in the ordinary course of business or the result of a sale of assets other than in the ordinary course of business; and (ii) the income (or loss) of any Person accrued prior to the date such Person becomes a Subsidiary of Borrower or (in the case of a Person other than a Subsidiary) is merged into or consolidated with any Consolidated Company, or such Person's assets are acquired by any Consolidated Company.

"CONSOLIDATED NET WORTH" shall mean as of the date of determination, the Borrower's Shareholders' Equity as determined in accordance with GAAP.

"CONSOLIDATED SUBSIDIARY" shall mean, as at any particular time, any corporation included as a Consolidated Subsidiary of Borrower in Borrower's most recent financial statements furnished to its stockholders and certified by Borrower's independent public accountants.

"CONTRACTUAL OBLIGATION" of any Person shall mean any provision of any security issued by such Person or of any agreement, instrument or undertaking under which such Person is obligated or by which it or any of the property owned by it is bound.

"CREDIT DOCUMENTS" shall mean, collectively, this Agreement, the Note, the Guaranty Agreement, the Pledge Agreement and all other Security Documents.

"CREDIT PARTIES" shall mean, collectively, each of Borrower, the Guarantors, and every other Person who from time to time executes a Credit Document with respect to all or any portion of the Obligations.

"DEFAULT" shall mean any condition or event which, with notice or lapse of time or both, would constitute an Event of Default.

"DEFAULT RATE" shall mean the rate of interest set forth in Section 4.3 hereof.

"DOLLAR" and "U.S. DOLLAR" and the sign "$" shall mean lawful money of the United States of America.

"ENVIRONMENTAL LAWS" shall mean all federal, state, local and foreign statutes and codes or regulations, rules or ordinances issued, promulgated, or approved thereunder, now or hereafter in effect (including, without limitation, those with respect to asbestos or asbestos containing material or exposure to asbestos or asbestos containing material), relating to pollution or protection of the environment and relating to public health and safety, relating to (i) emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial toxic or hazardous constituents, substances or wastes, including without limitation, any Hazardous Substance, petroleum including crude oil or any fraction thereof, any petroleum product or other waste, chemicals or substances regulated by any Environmental Law into the environment (including without limitation, ambient air, surface water, ground water, land surface or subsurface strata), or (ii) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of any Hazardous Substance, petroleum including crude oil or any fraction thereof, any petroleum product or other waste, chemicals or substances regulated by any Environmental Law, and (iii) underground storage tanks and related piping, and emissions, discharges and releases or threatened releases therefrom, such Environmental Laws to include, without limitation (i) the Clean Air Act (42 U.S.C. Section 7401 et seq.), (ii) the Clean Water Act (33 U.S.C. Section 1251 et sec.), (iii) the Resource Conservation and Recovery Act (42 U.S.C. Section 6901 et seq.), (iv) the Toxic Substances Control Act (15 U.S.C. Section 2601 et seq.) and (v) the Comprehensive Environmental Response Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act (42 U.S.C. Section 9601 et seq.).

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended and in effect from time to time.

"ERISA AFFILIATE" shall mean, with respect to any Person, each trade or business (whether or not incorporated) which is a member of a group of which that Person is a member and which is either within a controlled group of corporations or under common control within the meaning of the regulations promulgated under Section 414 of the Code and the regulations promulgated thereunder.

"EURODOLLAR ADVANCE" shall mean an Advance bearing interest based on LIBOR.

"EVENT OF DEFAULT" shall have the meaning set forth in Article IX hereof.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended from time to time, and any successor statute thereto.

"EXECUTIVE OFFICER" shall mean with respect to any Person (other than a Guarantor), the President, any Vice President, Chief Financial Officer, Treasurer, Secretary and any Person holding comparable offices or duties, and with respect to a Guarantor, the President, any Vice President or the Treasurer.

"FACILITY" or "FACILITIES" shall mean the Revolving Loan Commitment and Revolving Loans, as the context may indicate.

"FEDERAL FUNDS RATE" shall mean for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with member banks of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of Atlanta, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Lender from three Federal funds brokers of recognized standing selected by the Lender.

"FIRST UNION" shall mean First Union National Bank of Florida, a national banking association, and with respect to which the Consolidated Companies are currently indebted under one or more credit facilities.

"FUNDED DEBT" shall mean all Indebtedness for money borrowed, Indebtedness evidenced or secured by purchase money liens, Capitalized Lease Obligations, conditional sales contracts and similar title retention debt instruments, (regardless of when such Indebtedness matures). The calculation of Funded Debt shall include (without duplication) (i) all Funded Debt of the Consolidated Companies, (ii) all Funded Debt of other Persons, other than Subsidiaries, which has been Guaranteed by a Consolidated Company, which is supported by a letter of credit issued for the account of a Consolidated Company, or as to which and to the extent a Consolidated Company or its assets have otherwise become liable for payment thereof, (iii) all Indebtedness for money borrowed by the Consolidated Companies pursuant to lines of credit or revolving credit facilities (regardless of the term thereof), and (iv) all Subordinated Debt.

"FUNDED DEBT TO CAPITAL RATIO" shall mean as of the applicable date, the ratio of (i) Funded Debt to (ii) Capital, for the Consolidated Companies, on a consolidated basis.

"FUNDED DEBT TO CASH FLOW RATIO" shall mean as of the applicable date, the ratio of (i) Funded Debt to (ii) Consolidated Net Income (Loss) plus depreciation and amortization, for the Consolidated Companies, on a consolidated basis.

"GAAP" shall mean generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination.

"GUARANTEED INDEBTEDNESS" shall mean, as to any Person, any obligation of such Person guaranteeing any indebtedness, lease, dividend, or other obligation ("primary obligation") of any other Person (the "primary obligor") in any manner including, without limitation, any obligation or arrangement of such Person (i) to purchase or repurchase any such primary obligation; (ii) to advance or supply funds (a) for the purchase or payment of any such primary obligation, or (b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet condition of the primary obligor; (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (iv) to indemnify the owner of such primary obligation against loss in respect thereof; (v) by which and to the extent said Person or its assets have otherwise become liable for payment of any such primary obligation; or (vi) supporting a letter of credit issued for the account of said primary obligor.

"GUARANTORS" shall mean, collectively, all present and future Material Subsidiaries, and their respective successors and permitted assigns.

"GUARANTY" shall mean any contractual obligation, contingent or otherwise, of a Person with respect to any Indebtedness or other obligation or liability of another Person, including without limitation, any such Indebtedness, obligation or liability directly or indirectly guaranteed, endorsed, co-made or discounted or sold with recourse by that Person, or in respect of which that Person is otherwise directly or indirectly liable, including contractual obligations (contingent or otherwise) arising through any agreement to purchase, repurchase, or otherwise acquire such Indebtedness, obligation or liability or any security therefor, or any agreement to provide funds for the payment or discharge thereof (whether in the form of loans, advances, stock purchases, capital contributions or otherwise), or to maintain solvency, assets, level of income, or other financial condition, or to make any payment other than for value received. The amount of any Guaranty shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect to which said Guaranty is made or, if not so stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith.

"GUARANTY AGREEMENTS" shall mean, collectively, the Guaranty Agreement executed by each of the Guarantors from time to time in favor of the Lender and the Lender, substantially in the form of Exhibit B as the same may be amended, restated or supplemented from time to time.

"HAZARDOUS MATERIALS" shall mean oil, petroleum or chemical liquids or solids, liquid or gaseous products, asbestos, or any other hazardous waste or Hazardous Substances, including, without limitation, hazardous medical waste or any other substance described in any Hazardous Materials Law.

"HAZARDOUS MATERIALS LAW" shall mean the Comprehensive Environmental Response Compensation and Liability Act as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. Section 9601, the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, the state hazardous waste laws, as such laws may from time to time be in effect, and related regulations, and all similar laws and regulations.

"HAZARDOUS SUBSTANCES" has the meaning assigned to that term in CERCLA.

"INDEBTEDNESS" of any Person shall mean, without duplication (i) all obligations of such Person which in accordance with GAAP would be shown on the balance sheet of such Person as a liability (including, without limitation, obligations for borrowed money and for the deferred purchase price of property or services, obligations evidenced by bonds, debentures, notes or other similar instruments, and contingent reimbursement obligations under undrawn letters of credit); (ii) all Capitalized Lease Obligations; (iii) all Guaranteed Indebtedness of such Person; (iv) Indebtedness of others secured by any Lien upon property owned by such Person, whether or not assumed; and (v) obligations or other liabilities under currency contracts, interest rate hedging contracts, or similar agreements or combinations thereof.

"INTERCOMPANY CREDIT DOCUMENTS" shall mean, collectively, the promissory notes and all related loan, subordination, and other agreements, to the extent that they exist, relating in any manner to the Intercompany Loans.

"INTERCOMPANY LOANS" shall mean, collectively, (i) the loans more particularly described on Schedule 6.22, and (ii) those loans or other extensions of credit from time to time made by any Consolidated Company to another Consolidated Company satisfying the terms and conditions set forth in Section 8.1(e) or as may otherwise be approved in writing by the Lender.

"INTEREST PERIOD" shall mean with respect to Eurodollar Advances, the period of 1, 2, 3, 6 or 12 months selected by the Borrower under Section 4.4 hereof.

"INVESTMENT" shall mean, when used with respect to any Person, any direct or indirect advance, loan or other extension of credit (other than the creation of receivables in the ordinary course of business) or capital contribution by such Person (by means of transfers of property to others or payments for property or services for the account or use of others, or otherwise) to any Person, or any direct or indirect purchase or other acquisition by such Person of, or of a beneficial interest in, capital stock, partnership interests, bonds, notes, debentures or other securities issued by any other Person.

"LENDER" or "LENDER" shall mean Sun Bank, National Association and each eligible assignee thereof, if any.

"LENDING OFFICE" shall mean for the Lender the office the Lender may designate in writing from time to time to Borrower and the Lender with respect to each Type of Loan.

"LIBOR" shall mean, for any Interest Period, the offered rates for deposits in U.S. Dollars for a period comparable to the Interest Period appearing on the Reuters Screen LIBOR Page as of 11:00 a.m., (London, England time), on the day that is two Business Days prior to the first day of the Interest Period. If two or more of such rates appear on the Reuters Screen LIBOR Page, the rate for that Interest Period will be the arithmetic mean of such rates, rounded, if necessary, to the next higher 1/16 of 1.0%; and in either case as such rates may be adjusted for any applicable reserve requirements. If the foregoing rate is unavailable from the Reuters Screen for any reason, then such rate shall be determined by the Lender from Telerate Page 3750 or, if such rate is also unavailable on such service, then on any other interest rate reporting service of recognized standing designated in writing by the Lender to Borrower and the Lender; in any such case rounded, if necessary, to the next higher 1/16 of 1.0%, if the rate is not such a multiple.

"LIBOR ADVANCE RATE" shall mean, with respect to each Interest Period for a Eurodollar Advance, the rate obtained by adding (A) LIBOR for such Interest Period, and (B) the Applicable Margin for a Eurodollar Advance.

"LIEN" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind or description and shall include, without limitation, any agreement to give any of the foregoing, any conditional sale or other title retention agreement, any capitalized lease in the nature thereof including any lease or similar arrangement with a public authority executed in connection with the issuance of industrial development revenue bonds or pollution control revenue bonds, and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction.

"LOAN" OR "LOANS" shall mean, collectively, the Revolving Loans.

"MARGIN REGULATIONS" shall mean Regulation G, Regulation T, Regulation U and Regulation X of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time.

"MATERIAL PLACE OF BUSINESS" shall mean the Places of business set forth in Schedule 6.28(b) hereto and any other or new Place of Business which is either (i) owned by a Consolidated Company, or (ii) leased by a Consolidated Company, at which the Consolidated Company has at said location tangible personal property which is material to the operations of that Consolidated Company.

"MATERIALLY ADVERSE EFFECT" shall mean the occurrence of an event which could reasonably be expected to cause a materially adverse change in (i) the business, results of operations, financial condition, assets or prospects of the Consolidated Companies, taken as a whole, (ii) the ability of the Borrower to perform

its obligations under this Agreement, or (iii) the ability of the Credit Parties (taken as a whole) to perform their respective obligations under the Credit Documents.

"MATERIAL SUBSIDIARY" shall mean (i) each entity listed in Schedule 6.1 hereto, and (ii) each other Subsidiary of Borrower, now existing or hereinafter established or acquired, that at any time prior to the Maturity Date, has or acquires assets in excess of $1,000,000.

"MATURITY DATE" shall mean the earlier of (i) November 9, 1997, unless said date is otherwise extended as provided under Section 2.4,hereof, and (ii) the date on which all amounts outstanding under this Agreement have been declared or have automatically become due and payable pursuant to the provisions of Article IX hereof.

"MULTI-EMPLOYER PLAN" shall have the meaning set forth in Section 4001(a)(3) of ERISA.

"NOTE" shall mean the Revolving Credit Note as originally executed and as the same may be from time to time supplemented, modified, amended, renewed or extended.

"NOTICE OF BORROWING" shall have the meaning provided in Section 4.1 hereof, the form of which is attached hereto as Exhibit C.

"NOTICE OF CONVERSION/CONTINUATION" shall have the meaning provided in Section 4.1 hereof, the form of which is attached hereto as Exhibit D.

"OBLIGATIONS" shall mean all amounts owing to the Lender pursuant to the terms of this Agreement or any other Credit Document, including without limitation, all Loans (including all principal and interest payments due thereunder), fees (including reasonable attorneys' fees as permitted under any Credit Document), expenses, indemnification and reimbursement payments (including any reimbursement obligation with respect to any letter of credit, if drawn upon after any Event of Default which has occurred and is continuing), indebtedness, liabilities, and obligations of the Credit Parties, direct or indirect, absolute or contingent, liquidated or unliquidated, now existing or hereafter arising, together with all renewals, extensions, modifications or refinancings thereof.

"PBGC" shall mean the Pension Benefit Guaranty Corporation, and any successor thereto.

"PERMITTED ACQUISITIONS" shall mean the acquisition, by merger, consolidation, purchase or otherwise, by any Consolidated Company of any Person or substantially all the assets of said Person who is not Affiliated with the Borrower, to the extent the purchase price or the value of said acquisition (as reasonably determined by the board of directors of the acquiring Consolidated Company) for said acquisition is less than $5,000,000 (determined as including any Funded Debt to be assumed in said acquisition), and after which no Event of Default will occur or be continuing.

"PERMITTED LIENS" shall mean those Liens expressly permitted by Section 8.2 hereof.

"PERSON" shall mean any individual, partnership, joint venture, firm, corporation, trust, unincorporated association, government or any department or agency thereof, and any other entity whatsoever.

"PLACES OF BUSINESS" shall mean those locations owned or leased by any Consolidated Company or at which any assets of any Consolidated Company are located, as set forth in Schedule 6.28(a) hereto.

"PLAN" shall mean any employee benefit plan, program, arrangement, practice or contract, maintained by or on behalf of the Borrower or an ERISA Affiliate, which provides benefits or compensation to or on behalf of employees or former employees, whether formal or informal, whether or not written, including but not limited to, the following types of plans:

(i) EXECUTIVE ARRANGEMENTS - any bonus, incentive compensation, stock option, deferred compensation, commission, severance, "golden parachute", "rabbi trust", or other executive compensation plan, program, contract, arrangement or practice;

(ii) ERISA PLANS - any "employee benefit plan" defined in Section 3(3) of ERISA), including, but not limited to, any defined benefit pension plan, profit sharing plan, money purchase pension plan, savings or thrift plan, stock bonus plan, employee stock ownership plan, Multi-Employer Plan, or any plan, fund, program, arrangement or practice providing for medical (including post-retirement medical), hospitalization, accident, sickness, disability, or life insurance benefits; and

(iii) OTHER EMPLOYEE FRINGE BENEFITS - any stock purchase, vacation, scholarship, day care, prepaid legal services, severance pay or other fringe benefit plan, program, arrangement, contract or practice.

"PLEDGE AGREEMENT" shall mean, collectively, that certain Pledge Agreement executed in favor of the Lender, substantially in the form of Exhibit E providing for the grant of first, perfected Liens on the Pledged Stock as the same may be amended, restated or supplemented from time to time.

"PLEDGED STOCK" shall mean, collectively, 100% of all the issued and outstanding Capital Stock, together with all warrants, stock options, and other purchase and conversion right with respect to such Capital Stock, of each Material Subsidiary at any time outstanding.

"REGULATION D" shall mean Regulation D of the Board of Governors of the Federal Reserve System, as the same may be in effect from time to time.

"REQUIREMENT OF LAW" for any Person shall mean the articles or certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or a court or other governmental authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

"REUTERS SCREEN" shall mean, when used in connection with any designated page and LIBOR, the display page so designated on the Reuters Monitor Money Rates Service (or such other page as may replace that page on that service for the purpose of displaying rates comparable to LIBOR).

"REVOLVING CREDIT NOTE" shall mean the promissory notes evidencing the Revolving Loans in the form attached hereto as Exhibit A.

"REVOLVING LOANS" shall mean, collectively, the revolving credit loans made to Borrower by the Lender pursuant to Section 2.1 hereof.

"REVOLVING LOAN COMMITMENT" shall mean, the amount of $10,000,000 as the same may be decreased from time to time as a result of any reduction thereof pursuant to Section 2.5 hereof, or any amendment thereof pursuant to Section 11.2 hereof.

"SECURITY AGREEMENT" shall mean, collectively, that certain Security Agreement executed in favor of the Lender, substantially in the form of Exhibit E providing for the grant of first, perfected Liens on such of the Collateral not constituting Pledged Stock as the same may be amended, restated or supplemented from time to time, subject only to Permitted Liens.

"SECURITY DOCUMENTS" shall mean such security agreements, financing statements, pledge agreements, blank stock powers, mortgage documents and other documents as are necessary to grant to the Lender a first, perfected security interest in the Collateral.

"SHAREHOLDERS' EQUITY" shall mean, with respect to any Person as at any date of determination, the shareholders' equity of such Person, determined on a consolidated basis in conformity with GAAP.

"STATEMENT DATE" shall mean the last day of the fiscal quarter of Borrower to which the quarterly financial statements relate as delivered from time to time by the Borrower under Section 7.7(b) hereof.

"SUBORDINATED DEBT" shall mean all present and future Indebtedness of Borrower and its Subsidiaries to any Person other than to the Lender under this Agreement, and which Indebtedness is subordinated to all Obligations due the Lender under this Agreement on terms and conditions satisfactory in all respects to the Lender including without limitation, with respect to interest rates, payment terms, maturities, amortization schedules, covenants, defaults, remedies, collateral and subordination provisions, as evidenced by the written approval of the Lender. Including, if required by the Lender, a separate subordination agreement from the holder of said Debt to the Lender.

"SUBSIDIARY" shall mean, with respect to any Person, any corporation or other entity (including, without limitation, partnerships, joint ventures, and associations) regardless of its jurisdiction of organization or formation, at least a majority of the combined voting power of all classes of voting stock or other ownership interests of which shall, at the time as of which any determination is being made, be owned by such Person, either directly or indirectly through one or more other Subsidiaries.

"TAXES" shall mean any present or future taxes, levies, imposts, duties, fees, assessments, deductions, withholdings or other charges of whatever nature, including without limitation, income, receipts, excise, property, sales, transfer, license, payroll, withholding, social security and franchise taxes now or hereafter imposed or levied by the United States, or any state, local or foreign government or by any department, agency or other political subdivision or taxing authority thereof or therein and all interest, penalties, additions to tax and similar liabilities with respect thereto.

"TELERATE" shall mean, when used in connection with any designated page and the "Certificate of Deposit Rate" or "LIBOR," the display page so designated on the Dow Jones Telerate Service (or such other page as may replace that page on that service for the purpose of displaying rates comparable to the "Certificate of Deposit Rate" or "LIBOR").

"CAPITAL" shall mean the sum of Funded Debt and Consolidated Net Worth of the Consolidated Companies.

"TYPE" of Borrowing shall mean a Borrowing consisting of Base Rate Advances or Eurodollar Advances.

"WHOLLY OWNED SUBSIDIARY" shall mean any Subsidiary, all the stock or ownership interest of every class of which, except directors' qualifying shares, shall, at the time as of which any determination is being made, be owned by Borrower either directly or indirectly.

SECTION 1.2 ACCOUNTING TERMS AND DETERMINATION. Unless otherwise defined or specified herein, all accounting terms shall be construed herein, all accounting determinations hereunder shall be made, all financial statements required to be delivered hereunder shall be prepared, and all financial records shall be maintained in accordance with, GAAP.

SECTION 1.3 OTHER DEFINITIONAL TERMS. The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and Article, Section, Schedule, Exhibit and like references are to this Agreement unless otherwise specified.

SECTION 1.4 EXHIBITS AND SCHEDULES. All Exhibits and Schedules attached hereto are by reference made a part hereof.

ARTICLE II

REVOLVING LOANS

SECTION 2.1 COMMITMENT; USE OF PROCEEDS.

(a) Subject to and upon the terms and conditions herein set forth, the Lender agrees to make to Borrower from time to time on and after the Closing Date, but prior to the Maturity Date, Revolving Loans in an aggregate amount outstanding at any time not to exceed the Lender's Revolving Loan Commitment. Borrower shall be entitled to borrow, repay and reborrow Revolving Loans in accordance with the provisions hereof.

(b) Each Revolving Loan shall, at the option of Borrower, be made or continued as, or converted into, part of one or more Borrowings that shall consist entirely of Base Rate Advances or Eurodollar Advances. The aggregate principal amount of each Borrowing of Revolving Loans shall in the case of Eurodollar Advances be not less than $1,000,000 or a greater integral multiple of $500,000, and in the case of Base Rate Advances shall be not less than $500,000 or a greater integral multiple of $100,000, or in such lesser Loan amounts as shall then equal the unused amount of the Revolving Loan Commitment. At no time shall the number of Borrowings made as Eurodollar Advances then outstanding under this Article II exceed six; provided that, for the purpose of determining the number of Borrowings outstanding and the minimum amount for Borrowings resulting from continuations, all Borrowings of Base Rate Advances under the Revolving Loan shall be considered as one Borrowing. The parties hereto agree that (i) the aggregate principal balance of the Revolving Loans of the Lender as a group shall not exceed the Revolving Loan Commitment, and (ii) Lender shall not be obligated to make Revolving Loans in excess of its Revolving Loan Commitment.

(c) The proceeds of the Revolving Loans shall be used solely for the following purposes:

(i) To pay in full and terminate all credit facilities due First Union and to obtain from First Union a termination of all Liens held by First Union;

(ii) To finance Permitted Acquisitions as described herein;

(iii) For working capital and for other general corporate purposes, including capital expenditures of the Consolidated Companies;

(iv) To pay all transaction fees and expenses incurred in connection with this facility including Closing Fees and costs and expenses, including attorneys' fees, of the Lender, and, with the consent of the Lender, costs and expenses, including attorneys' fees, of the Borrower; and

(v) To pay other fees to the Lender or Lender from time to time under this Agreement including Availability Fees.

SECTION 2.2 NOTES; REPAYMENT OF PRINCIPAL.

(a) Borrower's obligations to pay the principal of, and interest on, the Revolving Loans to the Lender shall be evidenced by the records of the Lender and by the Revolving Credit Note payable to the Lender completed in conformity with this Agreement.

(b) All outstanding principal amounts under the Revolving Loans shall be due and payable in full on the Maturity Date

SECTION 2.3 PAYMENT OF INTEREST.

(a) Borrower agrees to pay interest in respect of all unpaid principal amounts of the Revolving Loans from the respective dates such principal amounts were advanced to maturity (whether by acceleration, notice of prepayment or otherwise) at rates per annum (computed on the basis of a 360 day year for the actual number of days elapsed) equal to the applicable rates indicated below:

(i) For Base Rate Advances -- The Base Advance Rate in effect from time to time; and

(ii) For Eurodollar Advances -- The relevant LIBOR Advance Rate.

(b) Interest on each Loan shall accrue from and including the date of such Loan to but excluding the date of any repayment thereof; provided that, if a Loan is repaid on the same day made, one day's interest shall be paid on such Loan. Interest on all outstanding Base Rate Advances shall be payable quarterly in arrears on the last calendar day of each fiscal quarter of Borrower in each year. Interest on all outstanding Eurodollar Advances shall be payable on the last day of each Interest Period applicable thereto, and, in the case of Eurodollar Advances having an Interest Period in excess of three months, on each day which occurs every three months after the initial date of such Interest Period. Interest on all Loans shall be payable on any conversion of any Advances comprising such Loans into Advances of another Type, at the Final Maturity Date and, after the Final Maturity Date, on demand.

SECTION 2.4 EXTENSION OF MATURITY DATE. At the written request of the Borrower, to be made no later than sixty days prior to November 9, 1995, the Lender may in its sole and absolute discretion extend the Maturity Date by an additional one year period.

SECTION 2.5 REDUCTION OF REVOLVING LOAN COMMITMENTS.

(a) The Borrower prior to the Maturity Date shall have the right in the manner set forth below to reduce (but not increase) the Revolving Loan Commitment.

(b) The Borrower, if it desires to reduce the Revolving Loan Commitment, must (i) give thirty Business Day's notice to the Lender setting forth the amount which the Borrower desires to have as the Revolving Loan Commitment, which said amount may not be less than the principal amount then outstanding on the Revolving Loans, and (ii) pay to the Lender within said thirty day period any Availability Fee due at the time of said reduction on that portion of the Revolving Loan Commitment which is being so reduced. Said reduction shall be effective at the end of said thirty Business Day period and upon the payment of said Availability Fee.

(c) Any reduction must be in the minimum amount of $500,000 or a greater integral multiple of $500,000.

ARTICLE III

THIS ARTICLE IS NOT APPLICABLE.

ARTICLE IV

GENERAL LOAN TERMS

SECTION 4.1 FUNDING NOTICES.

(a) Whenever Borrower desires to make a Borrowing, it shall give the Lender prior written notice (or telephonic notice promptly confirmed in writing) of such Borrowing (a "Notice of Borrowing"), such Notice of Borrowing to be given prior to 11:00 A.M. (local time for the Lender) at its Lending Office (i) one Business Day prior to the requested date of such Borrowing in the case of Base Rate Advances, and (ii) two Business Days prior to the requested date of such Borrowing in the case of Eurodollar Advances. Notices received after 11:00 A.M. shall be deemed received on the next Business Day. Each Notice of Borrowing shall be irrevocable and shall specify the aggregate principal amount of the Borrowing, the date of Borrowing (which shall be a Business Day), and whether the Borrowing is to consist of Base Rate Advances or Eurodollar Advances and (in the case of Eurodollar Advances) the Interest Period to be applicable thereto.

(b) Whenever Borrower desires to convert one or more Borrowings of one Type into one or more Borrowings of another Type, or to continue outstanding a Borrowing consisting of Eurodollar Advances for a new Interest Period, it shall give Lender prior written notice (or telephonic notice promptly confirmed in writing) of each such Borrowing to be converted or continued, such Notice of Conversion/Continuation to be given prior to 11:00 A.M. (local time for the Lender) at its Lending Office (i) one Business Day prior to the requested date of such Borrowing in the case of the continuation into a Base Rate Advance,

and (ii) two Business Days prior to the requested date of such Borrowing in the case of a continuation of or conversion into Eurodollar Advances. Notices received after 11:00 A.M. shall be deemed received on the next Business Day. Each such Notice of Conversion/Continuation shall be irrevocable and shall specify the aggregate principal amount of the Borrowing to be converted or continued, the date of such conversion or continuation (which shall be a Business Day), whether the Borrowing is being converted into or continued as Eurodollar Advances and (in the case of Eurodollar Advances) the Interest Period applicable thereto. If, upon the expiration of any Interest Period in respect of any Borrowing, Borrower shall have failed to deliver the Notice of Conversion/Continuation, Borrower shall be deemed to have elected to continue such Borrowing as a Eurodollar Advance for the same Interest Period then applicable to said Borrowing. No conversion of any Borrowing of Eurodollar Advances shall be permitted except on the last day of the Interest Period in respect thereof.

(c) Without in any way limiting Borrower's obligation to confirm in writing any telephonic notice, the Lender may act without liability upon the basis of telephonic notice believed by the Lender in good faith to be from Borrower prior to receipt of written confirmation. In each such case, Borrower hereby waives the right to dispute the Lender's record of the terms of such telephonic notice.

SECTION 4.2 DISBURSEMENT OF FUNDS. The Lender will make available the amount of such Borrowing in immediately available funds at the Lending Office of the Lender by crediting such amounts to Borrower's demand deposit account maintained with the Lender by the close of business on such Business Day.

SECTION 4.3 INTEREST: DEFAULT, PAYMENT AND DETERMINATION. Overdue principal and, to the extent not prohibited by applicable law, overdue interest, in respect of the Revolving Loans, and all other overdue amounts owing hereunder, shall bear interest from each date that such amounts are overdue, at the higher of the following rates:

(a) Base Advance Rate plus an additional two percent (2.0%) per annum; or

(b) The interest rate otherwise applicable to said amount plus an additional two percent (2.0%) per annum.

SECTION 4.4 INTEREST PERIODS.

(a) In connection with the making or continuation of, or conversion into, each Eurodollar Advance, Borrower shall select an Interest Period to be applicable to such Eurodollar Advance, which Interest Period shall be either a 1, 2, 3, 6 or 12 month period; provided that:

(i) The initial Interest Period for any Borrowing of Eurodollar Advances shall commence on the date of such Borrowing (including the date of any conversion from a Borrowing consisting of Advances of another Type) and each Interest Period occurring thereafter in respect of such Borrowing shall commence on the day on which the next preceding Interest Period expires;

(ii) If any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day;

(iii) Any Interest Period in respect of Eurodollar Advances which begins on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period shall, subject to part (iv) below, expire on the last Business Day of such calendar month; and

(iv) No Interest Period shall extend beyond the Maturity Date.

SECTION 4.5 FEES.

(a) Borrower shall pay to the Lender the Availability Fee for the period commencing on the Closing Date to and including the Maturity Date, such Fee being payable (i) quarterly in arrears on the last calendar day of each fiscal quarter of Borrower and on the Maturity Date, and (ii) at the time of any reduction in the Revolving Loan Commitment under Section 2.5 hereof on the amount of said reduction.

(b) Borrower shall pay to Lender on or prior to Closing Date, the balance of the Closing Fees.

SECTION 4.6 VOLUNTARY PREPAYMENTS OF BORROWINGS.

(a) Borrower may, at its option, prepay Borrowings consisting of Base Rate Advances at any time in whole, or from time to time in part, in amounts aggregating $100,000 or any greater integral multiple of $50,000, by paying the principal amount to be prepaid together with interest accrued and unpaid thereon to the date of prepayment. Those Borrowings consisting of Eurodollar Advances may be prepaid, at Borrower's option, in whole, or from time to time in part, in aggregating $1,000,000 or any greater integral multiple of $500,000, by paying the principal amount to be prepaid, together with interest accrued and unpaid thereon to the date of prepayment, provided however, prepayment of Eurodollar Advances may only be made on the last day of an Interest Period applicable thereto. Each such optional prepayment shall be applied in accordance with Section 4.6(c) below.

(b) Borrower shall give written notice (or telephonic notice confirmed in writing) to the Lender of any intended prepayment of the Revolving Loans (i) not less than one Business Day prior to any prepayment of Base Rate Advances, and (ii) not less than three Business Days prior to any prepayment of Eurodollar Advances. Such notice, once given, shall be irrevocable.

(c) Borrower, when providing notice of prepayment pursuant to Section 4.6(b) may designate the Types of Advances and the specific Borrowing or Borrowings which are to be prepaid, provided that (i) if any prepayment of Eurodollar Advances made pursuant to a single Borrowing of the Revolving Loans shall reduce the outstanding Advances made pursuant to such Borrowing to an amount less than $1,000,000, such Borrowing shall immediately be converted into Base Rate Advances, and (ii) each prepayment made pursuant to a single Borrowing shall be applied pro rata among the Loans comprising such Borrowing.

(d) In regard to any Revolving Loan, nothing contained herein shall preclude the Borrower from prepaying said Loan and thereafter and prior to the Maturity Date from obtaining any additional or future Advances as a Revolving Loan under Section 2.1 above up to the Revolving Loan Commitment.

SECTION 4.7 PAYMENTS, ETC.

(a) Except as otherwise specifically provided herein, all payments under this Agreement and the other Credit Documents, other than the payments specified in clause (b) below, shall be made without notice, defense, set-off or counterclaim to the Lender, not later than 11:00 A.M. (local time for the Lender) on the date when due and shall be made in Dollars in immediately available funds to the Lender at the Lender's Lending Office.

(b) (i) All such payments shall be made free and clear of and without deduction or withholding for any Taxes in respect of this Agreement, the Notes or other Credit Documents, or any payments of principal, interest, fees or other amounts payable hereunder or thereunder (but excluding any Taxes imposed on the overall net income of the Lender pursuant to the laws of any jurisdiction). If any Taxes are so levied or imposed, Borrower agrees (A) to pay the full amount of such Taxes, and such additional amounts as may be necessary so that every net payment of all amounts due hereunder and under the Notes and other Credit Documents, after withholding or deduction for or on account of any such Taxes (including additional sums payable under this Section 4.7), will not be less than the full amount provided for herein had no such deduction or withholding been required, (B) to make such withholding or deduction, and (C) to pay the full amount deducted to the relevant authority in accordance with applicable law. Borrower will furnish to the Lender within thirty days after the date the payment of any Taxes is due pursuant to applicable law, certified copies of tax receipts evidencing such payment by Borrower. Borrower will indemnify and hold harmless the Lender and reimburse the Lender upon written request for the amount of any such Taxes (exclusive of any taxes imposed on the overall net income of the Lender) so levied or imposed and paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or illegally asserted. A certificate as to the amount of such payment by the Lender, absent manifest error, shall be final, conclusive and binding for all purposes.

(c) Subject to Section 4.4(a)(ii), whenever any payment to be made hereunder or under any Note shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the applicable rate during such extension.

(d) All computations of interest and fees shall be made on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day) occurring in the period for which such interest or fees are payable (to the extent computed on the basis of days elapsed)

SECTION 4.8 LIBOR RATE NOT ASCERTAINABLE, ETC. In the event that the Lender shall have determined (which determination shall be made in good faith and, absent manifest error, shall be final, conclusive and binding upon all parties) that on any date for determining LIBOR for any Interest Period, by reason of any changes arising after the date of this Agreement affecting the London interbank market or the Lender's position in such markets, adequate and fair means do not exist for ascertaining the applicable interest rate on the basis provided for in the definition of LIBOR then, and in any such event, the Lender shall forthwith give notice (by telephone confirmed in writing) to Borrower and to the Lender of such determination and a summary of the basis for such determination. Until the Lender notifies Borrower that the circumstances giving rise to the suspension described herein no longer exist (which Lender agrees to give as soon as conditions warrant), the obligations of the Lender to make or permit portions of the Revolving Loans to remain

outstanding past the last day of the then current Interest Periods as Eurodollar Advances, shall be suspended, and such affected Advances shall bear the same interest as Base Rate Advances.

SECTION 4.9 ILLEGALITY.

(a) In the event that the Lender shall have determined (which determination shall be made in good faith and, absent manifest error, shall be final, conclusive and binding upon all parties) at any time that the making or continuance of any Eurodollar Advance has become unlawful by compliance by the Lender in good faith with any applicable law, governmental rule, regulation, guideline or order (whether or not having the force of law and whether or not failure to comply therewith would be unlawful), then, in any such event, the Lender shall give prompt notice (by telephone confirmed in writing) to Borrower of such determination and a summary of the basis for such determination.

(b) Upon the giving of the notice to Borrower referred to in subsection (a) above, (i) Borrower's right to request and the Lender's obligation to make Eurodollar Advances, shall be immediately suspended, and the Lender shall make an Advance as part of the requested Borrowing of Eurodollar Advances as a Base Rate Advance, which Base Rate Advance shall, for all other purposes, be considered part of such Borrowing, and (ii) if the affected Eurodollar Advance or Advances are then outstanding, Borrower shall immediately, or if permitted by applicable law, no later than the date permitted thereby, upon at least one Business Day's written notice to the Lender, convert each such Advance into an Advance or Advances of a different Type with an Interest Period ending on the date on which the Interest Period applicable to the affected Eurodollar Advances expires.

SECTION 4.10 INCREASED COSTS.

(a) If, by reason of after the date hereof, (x) the introduction of or any change (including, without limitation, any change by way of imposition or increase of reserve requirements) in or in the interpretation of any law or regulation, or (y) the compliance with any guideline or request from any central bank or other governmental authority or quasi-governmental authority exercising control over banks or financial institutions generally (whether or not having the force of law):

(i) the Lender (or its applicable Lending Office) shall be subject to any tax, duty or other charge with respect to its Eurodollar Advances or its obligation to make Eurodollar Advances, or the basis of taxation of payments to the Lender of the principal of or interest on its Eurodollar Advances or its obligation to make Eurodollar Advances shall have changed (except for changes in the tax on the net income or profits of the Lender or its applicable Lending Office imposed by any jurisdiction); or

(ii) any reserve (including, without limitation, any imposed by the Board of Governors of the Federal Reserve System), special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Lender's applicable Lending Office shall be imposed or deemed applicable or any other condition affecting its Eurodollar Advances or its obligation to make Eurodollar Advances shall be imposed on the Lender or its applicable Lending Office or the London interbank market or the United States secondary certificate of deposit market;

and as a result thereof there shall be any increase in the cost to the Lender of agreeing to make or making, funding or maintaining Eurodollar Advances (except to the extent already included in the determination of the applicable LIBOR Advance Rate for Eurodollar Advances), or there shall be a reduction in the amount received or receivable by the Lender or its applicable Lending Office, then Borrower shall from time to time (subject, in the case of certain Taxes, to the applicable provisions of Section 4.7(b)), upon written notice from and demand by the Lender on Borrower pay to the Lender within five Business Days after the date of such notice and demand, additional amounts sufficient to indemnify the Lender against such increased cost. A certificate as to the amount of such increased cost, submitted to Borrower and the Lender by the Lender in good faith and accompanied by a statement prepared by the Lender describing in reasonable detail the basis for and calculation of such increased cost, shall, except for manifest error, be final, conclusive and binding for all purposes.

(b) If the Lender, because of the circumstances described in clauses (x) or (y) in Section 4.10(a) or any other circumstances beyond the Lender's reasonable control arising after the date of this Agreement affecting the Lender or the London interbank market or the Lender's position in such markets, the LIBOR Advance Rate, as determined by the Lender, will not adequately and fairly reflect the cost to the Lender of funding its Eurodollar Advances, then, and in any such event:

(i) The Lender shall forthwith give notice (by telephone confirmed in writing) to Borrower;

(ii) Borrower's right to request and the Lender's obligation to make or permit portions of the Loans to remain outstanding past the last day of the then current Interest Periods as Eurodollar Advances, shall be immediately suspended; and

(iii) The Lender shall make a Loan as part of any requested Borrowing of Eurodollar Advances, as a Base Rate Advance, which such Base Rate Advance shall, for all other purposes, be considered part of such Borrowing.

SECTION 4.11 This Section is not applicable.

SECTION 4.12 FUNDING LOSSES. Borrower shall compensate the Lender, upon its written request to Borrower (which request shall set forth the basis for requesting such amounts in reasonable detail and which request shall be made in good faith and, absent manifest error, shall be final, conclusive and binding upon all of the parties hereto), for all losses, expenses and liabilities (including, without limitation, any interest paid by the Lender to lenders of funds borrowed by it to make or carry its Eurodollar Advances, in either case to the extent not recovered by the Lender in connection with the reemployment of such funds and including loss of anticipated profits), which the Lender may sustain: (i) if for any reason (other than a default by the Lender) a borrowing of, or conversion to or continuation of, Eurodollar Advances to Borrower does not occur on the date specified therefor in a Notice of Borrowing or Notice of Conversion (whether or not withdrawn), (ii) if any repayment (including mandatory prepayments and any conversions pursuant to Section 4.9(b)) of any Eurodollar Advances to Borrower occurs on a date which is not the last day of an Interest Period applicable thereto, or (iii), if, for any reason, Borrower defaults in its obligation to repay its Eurodollar Advances when required by the terms of this Agreement.

SECTION 4.13 ASSUMPTIONS CONCERNING FUNDING OF EURODOLLAR ADVANCES. Calculation of all amounts payable to a Lender under this Article IV shall be made as though that Lender had actually funded its relevant Eurodollar Advances through the purchase of deposits in the relevant market bearing interest at the rate applicable to such Eurodollar Advances in an amount equal to the amount of the Eurodollar Advances and having a maturity comparable to the relevant Interest Period and, in the case of Eurodollar Advances, through the transfer of such Eurodollar Advances from an offshore office of that Lender to a domestic office of that Lender in the United States of America; provided, however, that the Lender may fund each of its Eurodollar Advances in any manner it sees fit and the foregoing assumption shall be used only for calculation of amounts payable under this Article IV.

SECTION 4.14 This Section is not applicable.

SECTION 4.15 This Section is not applicable.

SECTION 4.16 CAPITAL ADEQUACY. Without limiting any other provision of this Agreement, in the event that the Lender shall have determined that the adoption of any law, treaty, governmental (or quasi-governmental) rule, regulation, guideline or order regarding capital adequacy not currently in effect or fully applicable as of the Closing Date, or any change therein or in the interpretation or application thereof after the Closing Date, or compliance by the Lender with any request or directive regarding capital adequacy not currently in effect or fully applicable as of the Closing Date (whether or not having the force of law and whether or not failure to comply therewith would be unlawful) from a central bank or governmental authority or body having jurisdiction, does or shall have the effect of reducing the rate of return on the Lender's capital as a consequence of its obligations hereunder to a level below that which the Lender could have achieved but for such law, treaty, rule, regulation, guideline or order, or such change or compliance (taking into consideration the Lender's policies with respect to capital adequacy by an amount deemed by the Lender to be material, then within ten Business Days after written notice and demand by the Lender (with copies thereof to the Lender), Borrower shall from time to time pay to the Lender additional amounts sufficient to compensate the Lender for such reduction (but, in the case of outstanding Base Rate Advances, without duplication of any amounts already recovered by the Lender by reason of an adjustment in the applicable Base Rate). Each certificate as to the amount payable under this Section 4.16 (which certificate shall set forth the basis for requesting such amounts in reasonable detail), submitted to Borrower by the Lender in good faith, shall, absent manifest error, be final, conclusive and binding for all purposes.

SECTION 4.17 BENEFITS TO GUARANTORS. In consideration for the execution and delivery by the Guarantors of their respective Guaranty Agreement, Borrower agrees to make the benefit of extensions of credit hereunder available to the Guarantors.

SECTION 4.18 LIMITATION ON CERTAIN PAYMENT OBLIGATIONS.

(a) The Lender shall make written demand on Borrower for indemnification or compensation pursuant to Section 4.7 no later than ninety days after the earlier of (i) the date on which the Lender makes payment of such Taxes, and (ii) the date on which the relevant taxing authority or other governmental authority makes written demand upon the Lender for payment of such Taxes.

(b) The Lender shall make written demand on Borrower for indemnification or compensation pursuant to Sections 4.12 and 4.13 no later than ninety days after the event giving rise to the claim for indemnification or compensation occurs.

(c) The Lender shall make written demand on Borrower for indemnification or compensation pursuant to Sections 4.10 and 4.16 no later than ninety days after the Lender or Lender receives actual notice or obtains actual knowledge of the promulgation of a law, rule, order or interpretation or occurrence of another event giving rise to a claim pursuant to such sections.

(d) In the event that the Lender fails to give Borrower notice within the time limitations prescribed in (a) or (b) above, Borrower shall not have any obligation to pay such claim for compensation or indemnification. In the event that the Lender fail to give Borrower notice within the time limitation prescribed in (c) above, Borrower shall not have any obligation to pay any amount with respect to claims accruing prior to the ninetieth day preceding such written demand.

SECTION 4.19 CHANGE FROM ONE TYPE OF BORROWING TO ANOTHER. Subject to the limitations set forth in this Agreement, the Borrower shall have the right from time to time to change from one Type of Borrowing to another by giving appropriate Notice of Conversion/Continuation in the manner set forth in Section 4.1.

ARTICLE V.

CONDITIONS TO BORROWINGS

The obligations of the Lender to make Advances to Borrower hereunder and to accept a conversation of one Type of Loan into another is subject to the satisfaction of the following conditions:

SECTION 5.1 CONDITIONS PRECEDENT TO INITIAL LOANS. At the time of the making of the initial Loans hereunder on the Closing Date, all obligations of Borrower hereunder incurred prior to the initial Loans (including, without limitation, Borrower's obligations to reimburse the reasonable fees and expenses of counsel to the Lender and any Closing Fees and expenses payable to the Lender as previously agreed with Borrower), shall have been paid in full, and the Lender shall have received the following, in form and substance reasonably satisfactory in all respects to the Lender:

(a) The duly executed counterparts of this Agreement;

(b) The duly executed Revolving Note evidencing the Revolving Loan Commitments;

(c) The duly executed Guaranty Agreement;

(d) The duly executed Security Documents;

(e) Duly executed Certificate of Borrower in substantially the form of Exhibit G attached hereto and appropriately completed;

(f) Duly executed Certificates of the Secretary or Assistant Secretary of each of the Credit Parties attaching and certifying copies of the resolutions of the boards of directors of the Credit Parties, authorizing as applicable the execution, delivery and performance of the Credit Documents;

(g) Duly executed Certificates of the Secretary or an Assistant Secretary of each of the Credit Parties certifying (i) the name, title and true signature of each officer of such entities executing the Credit Documents, and (ii) the bylaws or comparable governing documents of such entities;

(h) Certified copies of the certificate or articles of incorporation of each Credit Party certified by the Secretary of State or the Secretary or Assistant Secretary of such Credit Party, together with certificates of good standing or existence, as may be available from the Secretary of State of the jurisdiction of incorporation or organization of such Credit Party;

(i) Copies of all documents and instruments, including all consents, authorizations and filings, required or advisable under any Requirement of Law or by any material Contractual Obligation of the Credit Parties, in connection with the execution, delivery, performance, validity and enforceability of the Credit Documents and the other documents to be executed and delivered hereunder, and such consents, authorizations, filings and orders shall be in full force and effect and all applicable waiting periods shall have expired;

(j) Certified copies of the Intercompany Credit Documents, to the extent that they exist;

(k) The duly executed copy of the Contribution Agreement by the Borrower and the Guarantors, in the form attached hereto as Exhibit I.

(l) Certified copies of uniform commercial code searches, tax lien searches, judgment lien searches, and other searches as the Lender may require, on the Consolidated Companies, reflecting no Liens against the Consolidated Companies, other than those to be paid in full as result of the full payoff to First Union and Permitted Liens;

(m) Certified copies of indentures, credit agreements, leases, capital leases, instruments, and other documents evidencing or securing Indebtedness of any Consolidated Company described on Schedule 8.1(b), in any single case greater than $100,000;

(n) Certificates, reports and other information as the Lender may reasonably request from any Consolidated Company in order to satisfy the Lender as to the absence of any material liabilities or obligations arising from matters relating to employees of the Consolidated Companies, including employee relations, collective bargaining agreements, Plans, and other compensation and employee benefit plans;

(o) Certificates, reports, environmental audits and investigations, and other information as the Lender may reasonably request from any Consolidated Company in order to satisfy the Lender as to the absence of any material liabilities or obligations arising from environmental and employee health and safety exposures to which the Consolidated Companies may be subject, and the plans of the Consolidated Companies with respect thereto;

(p) Certificates, reports and other information as the Lender may reasonably request from any Consolidated Company in order to satisfy the Lender as to the absence of any material liabilities or obligations arising from litigation (including without limitation, products liability and patent infringement claims) pending or threatened against the Consolidated Companies;

(q) A summary, set forth in format and detail reasonably acceptable to the Lender, of the types and amounts of insurance (property and liability) maintained by the Consolidated Companies;

(r) The duly executed favorable opinion of Cobb, Cole & Bell, counsel to the Credit Parties, substantially in the form of Exhibit H addressed to the Lender and each of the Lender;

(s) Financial statement of the Borrower, audited on a consolidated basis for the fiscal year ended on December 31, 1993;

(t) Financial statement of the Borrower, internally prepared and unaudited, on a consolidated basis for the nine month period ending September 30, 1994;

(u) The duly executed Consents by Lessor; and

(v) A fully executed pay off letter from First Union to the Lender confirming the amounts due First Union on its credit facilities, further stating that upon the receipt of said payment, First Union will terminate said facility and immediately execute all termination statements regarding any Liens held by First Union, with the execution by First Union of said termination statements immediately after its receipt of payment; and the full payment to First Union of its credit facilities by the Borrower either with its own funds or using Advances under this Facility.

In addition to the foregoing, the following conditions shall have been satisfied or shall exist, all to the reasonable satisfaction of the Lender, as of the time the initial Loans are made hereunder:

(w) The Loans to be made on the Closing Date and the use of proceeds thereof shall not contravene, violate or conflict with, or involve the Lender in a violation of, any law, rule, injunction, or regulation, or determination of any court of law or other governmental authority;

(x) All corporate proceedings and all other legal matters in connection with the authorization, legality, validity and enforceability of the Credit Documents shall be reasonably satisfactory in form and substance to the Lender;

(y) The status of all pending and threatened litigation (including products liability and patent claims) which might result in a Materially Adverse Effect, including a description of any damages sought and the claims constituting the basis therefor, shall have been reported in writing to the Lender, and the Lender shall be satisfied with such status;

SECTION 5.2 CONDITIONS TO ALL LOANS. At the time of the making of all Loans (before as well as after giving effect to such Loans and to the proposed use of the proceeds thereof) and the conversion of one Type of Loan into another, the following conditions shall have been satisfied or shall exist:

(a) There shall then exist no Default or Event of Default;

(b) All representations and warranties by Borrower contained herein shall be true and correct in all material respects with the same effect as though such representations and warranties had been made on and as of the date of such Loans (except to the extent that such

representations and warranties expressly relate to an earlier date or are affected by transactions permitted under this Agreement);

(c) Since the date of the most recent financial statements of the Borrower described in Section 6.3 hereof, there shall have been no change which has had or could reasonably be expected to have a Materially Adverse Effect;

(d) There shall be no action or proceeding instituted or pending before any court or other governmental authority or, to the knowledge of Borrower, threatened (i) which reasonably could be expected to have a Materially Adverse Effect, or (ii) seeking to prohibit or restrict one or more Credit Party's ownership or operation of any portion of its business or assets, or to compel one or more Credit Party to dispose of or hold separate all or any portion of its businesses or assets , where said action if successful would have a Materially Adverse Effect;

(e) The Loans to be made and the use of proceeds thereof shall not contravene, violate or conflict with, or involve the Lender or the Lender in a violation of, any law, rule, injunction, or regulation, or determination of any court of law or other governmental authority applicable to Borrower; and

(f) The Lender shall have received such other documents or legal opinions as the Lender may reasonably request, all in form and substance reasonably satisfactory to the Lender.

SECTION 5.3 CERTIFICATION FOR EACH BORROWING. Each Notice of Borrowing, Notice of Conversion/Continuation, or any other request for a Borrowing, and the acceptance by Borrower of the proceeds thereof shall constitute a representation and warranty by Borrower, as of the date of said Notice, draw request or acceptance, as the case may be, that the applicable conditions specified in Sections 5.1 and 5.2 have been satisfied or are true and correct, as the case may be.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Borrower represents, warrants and covenants to Lender that:

SECTION 6.1 ORGANIZATION AND QUALIFICATION. Borrower is a corporation duly organized and existing in good standing under the laws of the State of Florida. Each Subsidiary of Borrower is a corporation duly organized and existing under the laws of the jurisdiction of its incorporation. Borrower and each of its Subsidiaries are duly qualified to do business as a foreign corporation and are in good standing in each jurisdiction in which the character of their properties or the nature of their business makes such qualification necessary, except for such jurisdictions in which a failure to qualify to do business would not have a Materially Adverse Effect. Borrower and each of its Subsidiaries have the corporate power to own their respective properties and to carry on their respective businesses as now being conducted. The jurisdiction of incorporation or organization, and the ownership of all issued and outstanding capital stock, for Borrower and each Subsidiary as of the date of this Agreement is accurately described on Schedule 6.1.

SECTION 6.2 CORPORATE AUTHORITY. The execution and delivery by the Credit Parties of and the performance by Credit Parties of their obligations under the Credit Documents have been duly authorized by all requisite corporate action and all requisite shareholder action, if any, on the part of Credit Parties and do not and will not (i) violate any provision of any law, rule or regulation, any judgment, order or ruling of any

court or governmental agency, the organizational papers or bylaws of Credit Parties, or any indenture, agreement or other instrument to which Credit Parties are a party or by which Credit Parties or any of their properties is bound, or (ii) be in conflict with, result in a breach of, or constitute with notice or lapse of time or both a default under any such indenture, agreement or other instrument.

SECTION 6.3 BORROWER FINANCIAL STATEMENTS. Borrower has furnished Lender with the following financial statement, identified by the Treasurer or Chief Financial Officer of Borrower: consolidated balance sheets and consolidated statements of income, stockholders' equity and cash flow as of and for the fiscal years ended on the last day in December, 1992, and 1993 certified by Ernst and Young, and the nine month unaudited consolidated balance sheets and consolidated statements of income, stockholder equity and cash flow as and for the nine months ended on September 30, 1994. Such financial statements (including any related schedules and notes) are true and correct in all material respects (subject, as to interim statements, to changes resulting from audits and year end adjustments), have been prepared in accordance with GAAP consistently applied throughout the period or periods in question and show, in the case of audited statements, all liabilities, direct or contingent, of Borrower and its Subsidiaries, required to be shown in accordance with GAAP consistently applied throughout the period or periods in question and fairly present the consolidated financial position and the consolidated results of operations of Borrower and its Subsidiaries for the periods indicated therein. There has been no material adverse change in the business, condition or operations, financial or otherwise, of Borrower and its Subsidiaries since September 30, 1994.

SECTION 6.4 TAX RETURNS. Except as set forth on Schedule 6.4 hereto, each of Borrower and its Subsidiaries has filed all federal, state and other income tax returns which, to the best knowledge of Borrower and its Subsidiaries, are required to have been filed, and each has paid all taxes as shown on said returns and on all assessments received by it to the extent that such taxes have become due or except such as are being contested in good faith by appropriate proceedings for which adequate reserves have been established in accordance with GAAP.

SECTION 6.5 ACTIONS PENDING. Except as disclosed on Schedule 6.5 hereto, there is no action, suit, investigation or proceeding pending or, to the knowledge of Borrower, threatened against or affecting Borrower or any of its Subsidiaries or any of their properties or rights, by or before any court, arbitrator or administrative or governmental body, which might result in any Materially Adverse Effect.

SECTION 6.6 REPRESENTATIONS; NO DEFAULTS. At the time of each Borrowing, there shall exist no Default or Event of Default.

SECTION 6.7 TITLE TO PROPERTIES. Each of Borrower and its Subsidiaries has (i) good and marketable fee simple title to its respective real properties (other than real properties which it leases from others), including all such real properties reflected in the consolidated balance sheet of Borrower and its Subsidiaries herein above described (other than real properties disposed of in the ordinary course of business), subject to no Lien of any kind except as set forth on Schedule 6.7 hereto or as permitted by Section 8.2, and (ii) good title to all of its other respective properties and assets (other than properties and assets which it leases from others), including the other material properties and assets reflected in the consolidated balance sheet of Borrower and its subsidiaries hereinabove described (other than properties and assets disposed of in the ordinary course of business or sold in accordance with Section 8.3 below), subject to no Lien of any kind except as set forth on Schedule 6.7, hereto or as permitted by Section 8.2. Each of Borrower and its Subsidiaries enjoys peaceful and undisturbed possession under all leases necessary in any material respect for the operation of its respective properties and assets, none of which contains any unusual or burdensome provisions which might materially affect or impair the operation of such properties and assets, and all such leases are valid and subsisting and in full force and effect. To the extent any Consolidated Company is required by applicable law to segregate or place in escrow any premiums or other similar payments, those amounts shall be kept in escrow and shall not be considered to be property of the Consolidated Company hereunder.

SECTION 6.8 ENFORCEABILITY OF AGREEMENT. This Agreement is the legal, valid and binding agreement of Borrower enforceable against Borrower in accordance with its terms, and the Note, and all other Credit Documents, when executed and delivered, will be similarly legal, valid, binding and enforceable as against all applicable Credit Parties, except as the enforceability of the Note and other Credit Documents may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditor's rights and remedies in general and by general principles of equity, whether considered in a proceeding at law or in equity.

SECTION 6.9 CONSENT. No Consent, permission, authorization, order or license of any governmental authority or Person is necessary in connection with the execution, delivery, performance or enforcement of the Credit Documents.

SECTION 6.10 USE OF PROCEEDS; FEDERAL RESERVE REGULATIONS. The proceeds of the Note will be used solely for the purposes specified in Section 2.1(c) and 4.2(d) and none of such proceeds will be used, directly or indirectly, for the purpose of purchasing or carrying any "margin security" or "margin stock" or for the purpose of reducing or retiring any indebtedness that originally was incurred to purchase or carry a "margin security" or "margin stock" or for any other purpose that might constitute this transaction a "purpose credit" within the meaning of the regulations of the Board of Governors of the Federal Reserve System.

SECTION 6.11 ERISA.

(a) Identification of Certain Plans. Schedule 6.11 hereto sets forth all Plans of Borrower and its Subsidiaries in effect on the date of this Agreement;

(b) Compliance. Each Plan is being maintained, by its terms and in operation, in accordance with all applicable laws, except such noncompliance (when taken as a whole) that will not have a Materially Adverse Effect;

(c) Liabilities. Neither the Borrower nor any Subsidiary is currently or will become subject to any liability (including withdrawal liability), tax or penalty whatsoever to any person whomsoever with respect to any Plan including, but not limited to, any tax, penalty or liability arising under Title I or Title IV of ERISA or Chapter 43 of the Code, except such liabilities (when taken as a whole) as will not have a Materially Adverse Effect; and

(d) Funding. The Borrower and each ERISA Affiliate have made full and timely payment of all amounts (i) required to be contributed under the terms of each Plan and applicable law and (ii) required to be paid as expenses of each Plan, except where such non-payment would not have a Material Adverse Effect. As of the date of this Agreement, no Plan has an "amount of unfunded benefit liabilities" (as defined in Section 4001(a)(18) of ERISA) except as disclosed on Schedule 6.11. No Plan is subject to a waiver or extension of the minimum funding requirements under ERISA or the Code, and no request for such waiver or extension is pending.

SECTION 6.12 SUBSIDIARIES. Schedule 6.1 hereto sets forth each Subsidiary of the Borrower as of the date of this Agreement, each of which is a Material Subsidiary. All the outstanding shares of Capital Stock of each such Subsidiary have been validly issued and are fully paid and nonassessable and all such outstanding shares, except as noted on such Schedule 6.1 hereto, are owned by Borrower or a Wholly Owned Subsidiary of Borrower free of any Lien (other than those in favor of the Lender).

SECTION 6.13 OUTSTANDING INDEBTEDNESS. Except as set forth on Schedule 6.13 hereof, as of the Closing Date and after giving effect to the transactions contemplated by this Agreement, no Credit Party has

outstanding any Indebtedness in an amount exceeding $250,000 except as permitted by Section 8.1 and as of the Closing Date there exists no default under the provisions of any instrument evidencing such Indebtedness or of any agreement relating thereto except as noted on Schedule 6.13.

SECTION 6.14 CONFLICTING AGREEMENTS. Except as set forth on Schedule 6.14 hereof, none of the Borrower or any of its Subsidiaries is a party to any contract or agreement or other burdensome restrictions or subject to any charter or other corporate restriction which could have a Materially Adverse Effect. Assuming the consummation of the transactions contemplated by this Agreement, neither the execution or delivery of this Agreement or the Credit Documents, nor fulfillment of or compliance with the terms and provisions hereof and thereof, will except as set forth in Schedule 6.14 hereof, conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of Borrower or any of its Subsidiaries (other than those in favor of the Lender) pursuant to, the charter or By-Laws of Borrower or any of its Subsidiaries, any award of any arbitrator or any agreement (including any agreement with stockholders), instrument, order, judgment, decree, statute, law, rule or regulation to which Borrower or any of its Subsidiaries is subject, and none of the Borrower nor any of its Subsidiaries is a party to, or otherwise subject to any provision contained in, any instrument evidencing Indebtedness of Borrower or any of its Subsidiaries in an amount exceeding $250,000, any agreement relating thereto or any other contract or agreement (including its charter) which limits the amount of, or otherwise imposes restrictions on the incurring of, Indebtedness of the type to be evidenced by the Note or contains dividend or redemption limitations on Common Stock of Borrower, except for this Agreement and those matters listed on Schedule 6.14 attached hereto.

SECTION 6.15 POLLUTION AND OTHER REGULATIONS.

(a) Except as set forth on Schedule 6.15(a), each of the Borrower and its Subsidiaries has to the best of its knowledge complied in all material respects with all applicable Environmental Laws, including without limitation, compliance with permits, licenses, standards, schedules and timetables issued pursuant to Environmental Laws, and is not in violation of, and does not presently have outstanding any liability under, has not been notified that it is or may be liable under and does not have knowledge of any material liability or potential material liability (including any liability relating to matters set forth on Schedule 6.15(a)), under any applicable Environmental Law, including without limitation, the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 ("CERCLA"), the Federal Water Pollution Control Act, as amended ("FWPCA"), the Federal Clean Air Act, as amended ("FCAA"), and the Toxic Substance Control Act ("TSCA"), which violation, liability or potential liability could reasonably be expected to have a Materially Adverse Effect.

(b) Except as set forth on Schedule 6.15(b), as of the date of this Agreement, neither the Borrower nor any of its Subsidiaries has received a written request for information under CERCLA, any other Environmental Laws or any comparable state law, or any public health or safety or welfare law or written notice that any such entity has been identified as a potential responsible party under CERCLA, and other Environmental Laws, or any comparable state law, or any public health or safety or welfare law, nor has any such entity received any written notification that any Hazardous Materials that it or any of its respective predecessors in interest has generated, stored, treated, handled, transported, or disposed of, has been released or is threatened to be released at any site at which any Person intends to conduct or is conducting a remedial investigation or other action pursuant to any applicable Environmental Law.

(c) Except as set forth on Schedule 6.15(c), each of the Borrower and its Subsidiaries has obtained all material permits, licenses or other authorizations required for the conduct of their respective operations under all applicable Environmental Laws and each such authorization is in full force and effect, except where the failure to do so would not have a Materially Adverse Effect.

(d) Each of Borrower and its Subsidiaries complies in all material respects with all laws and regulations relating to equal employment opportunity and employee safety in all jurisdictions in which it is presently doing business, and Borrower will use its best efforts to comply, and to cause each of its Subsidiaries to comply, with all such laws and regulations which may be legally imposed in the future in jurisdictions in which Borrower or any of its Subsidiaries may then be doing business, except where the failure to do so would not have a Materially Adverse Effect.

SECTION 6.16 POSSESSION OF FRANCHISES, LICENSES, ETC. Each of Borrower and its Subsidiaries possesses all material franchises, certificates, licenses, permits and other authorizations from governmental political subdivisions or regulatory authorities, free from burdensome restrictions, (including specifically all insurance agency licenses) the failure of which to possess could have a Materially Adverse Effect and neither Borrower nor any of its Subsidiaries is in violation of any thereof in any material respect.

SECTION 6.17 PATENTS, ETC. Except as set forth on Schedule 6.17, each of Borrower and its Subsidiaries owns or has the right to use all patents, trademarks, service marks, trade names, copyrights, licenses and other rights, free from burdensome restrictions, which are necessary for the operation of its business as presently conducted. Nothing has come to the attention of Borrower or any of its Subsidiaries to the effect that (i) any product, process, method, substance, part or other material presently contemplated to be sold by or employed by Borrower or any of its Subsidiaries in connection with its business may infringe any patent, trademark, service mark, trade name, copyright, license or other right owned by any other Person, (ii) there is pending or threatened any claim or litigation against or affecting Borrower or any of its Subsidiaries contesting its right to sell or use any such product, process, method, substance, part or other material or (iii) there is, or there is pending or proposed, any patent, invention, device, application or principle or any statute, law, rule, regulation, standard or code, which would in any case prevent, inhibit or render obsolete the production or sale of any products of, or substantially reduce the projected revenues of, or otherwise have a Materially Adverse Effect.

SECTION 6.18 GOVERNMENTAL CONSENT. Neither the nature of Borrower or any of its Subsidiaries nor any of their respective businesses or properties, nor any relationship between Borrower and any other Person, nor any circumstance in connection with the execution and delivery of the Credit Documents and the consummation of the transactions contemplated thereby is such as to require on behalf of Borrower or any of its Subsidiaries any consent, approval or other action by or any notice to or filing with any court or administrative or governmental body in connection with the execution and delivery of this Agreement and the Credit Documents.

SECTION 6.19 DISCLOSURE. Neither this Agreement nor the Credit Documents nor any other document, certificate or written statement furnished to Lender by or on behalf of Borrower in connection herewith contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact peculiar to Borrower which materially adversely affects or in the future may (so far as Borrower can now foresee) materially adversely affect the business, property or assets, financial condition or prospects of Borrower which has not been set forth in this Agreement or in the Credit Documents, certificates and written statements furnished to Lender by or on behalf of Borrower prior to the date hereof in connection with the transactions contemplated hereby.

SECTION 6.20 INSURANCE COVERAGE. Each property of Borrower or any of its Subsidiaries is insured on terms acceptable to Lender for the benefit of Borrower or a Subsidiary of Borrower in amounts deemed adequate by Borrower's management and no less than those amounts customary in the industry in which Borrower and its Subsidiaries operate against risks usually insured against by Persons operating businesses similar to those of Borrower or its Subsidiaries in the localities where such properties are located.

SECTION 6.21 LABOR MATTERS. Except as set forth on Schedule 6.21, the Borrower and the Borrower's Subsidiaries have experienced no strikes, labor disputes, slow downs or work stoppages due to labor disagreements which have had, or would reasonably be expected to have, a Materially Adverse Effect, and, to the best knowledge of Borrower, there are no such strikes, disputes, slow downs or work stoppages threatened against any Borrower or any of Borrower's Subsidiaries, the result of which could have a Materially Adverse Effect. The hours worked and payment made to employees of the Borrower and Borrower's Subsidiaries have not been in violation in any material respect of the Fair Labor Standards Act or any other applicable law dealing with such matters. All payments due from the Borrower and Borrower's Subsidiaries on account of wages and employee health and welfare insurance and other benefits have been paid or accrued as liabilities on the books of the Borrower and Borrower's Subsidiaries where the failure to pay or accrue such liabilities would reasonably be expected to have a Materially Adverse Effect.

SECTION 6.22 INTERCOMPANY LOANS; DIVIDENDS. The Intercompany Loans and the Intercompany Credit Documents, to the extent that they exist, have been duly authorized and approved by all necessary corporate and shareholder action on the part of the parties thereto, and constitute the legal, valid and binding obligations of the parties thereto, enforceable against each of them in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally, and by general principles of equity. There are no restrictions on the power of any Consolidated Company to repay any Intercompany Loan or to pay dividends on the Capital Stock. Intercompany loans as of the Closing Date are described in Schedule 6.22.

SECTION 6.23 BURDENSOME RESTRICTIONS. Except as set forth on Schedule 6.23, none of the Consolidated Companies is a party to or bound by any Contractual Obligation or Requirement of Law which has had or would reasonably be expected to have a Materially Adverse Effect.

SECTION 6.24 SOLVENCY. Each of the Consolidated Company's is solvent and able to pay its debts as and when they accrue and are due.

SECTION 6.25 FIRST, PERFECTED SECURITY INTEREST IN COLLATERAL. The Lender, for and in behalf of the Lender, has a first, perfected security interest in the Collateral to secure the Loans subject to no other Liens except as permitted in Section 8.2 hereof.

SECTION 6.26 SEC COMPLIANCE AND FILINGS

(a) Borrower is and shall remain in full and complete compliance with all applicable securities laws including, but not limited to, all requirements of the Exchange Act, to the extent applicable to the Borrower and its business.

(b) Borrower previously has furnished or made available to the Lender accurate and complete copies of forms, reports, and documents filed by Borrower with the Securities and Exchange Commission ("SEC") since December 31, 1993 (the "SEC Documents"), which include all reports, schedules, proxy statements, and registration statements filed or required to be filed by Borrower with the SEC since December 31, 1993. As of their respective dates, the SEC Documents did not contain any untrue statement of a material fact or omit to state

a material fact required to be stated in those documents are necessary to make the statements in those documents not misleading, in light of the circumstances in which they were made.

SECTION 6.27 CAPITAL STOCK OF BORROWER AND RELATED MATTERS.

(a) The Borrower is not subject to any obligation (contingent or otherwise) to repurchase or otherwise acquire or retire any of its Capital Stock or any warrants, options or other securities or rights directly or indirectly convertible into or exercisable or exchangeable for its Capital Stock.

SECTION 6.28 PLACES OF BUSINESS.

(a) The Places of Business identified in Schedule 6.28(a) hereof constitute all the Places of Business for the Consolidated Companies.

(b) The Places of Business identified in Schedule 6.28(b) hereof as Material Places of Business are the only Places of Business which are Material Places of Business.

ARTICLE VII

AFFIRMATIVE COVENANTS

Borrower covenants and agrees that so long as it may borrow under this Agreement or so long as any indebtedness remains outstanding under the Note that it will:

SECTION 7.1 CORPORATE EXISTENCE, ETC. Preserve and maintain, and cause each of its Material Subsidiaries to preserve and maintain, its corporate existence, its material rights, franchises, and licenses, and its material patents and copyrights (for the scheduled duration thereof), trademarks, trade names, and service marks, necessary or desirable in the normal conduct of its business, and its qualification to do business as a foreign corporation in all jurisdictions where it conducts business or other activities making such qualification necessary, in each case where the failure to do so would reasonably be expected to have a Materially Adverse Effect.

SECTION 7.2 COMPLIANCE WITH LAWS, ETC. Comply, and cause each of its Subsidiaries to comply, with all Requirements of Law (including, without limitation, all insurance agency laws and the Environmental Laws, subject to the exception set forth in Section 7.7(f) where the penalties, claims, fines, and other liabilities resulting from noncompliance with such Environmental Laws do not involve amounts in excess of $250,000. in the aggregate) and material Contractual Obligations applicable to or binding on any of them where the failure to comply with such Requirements of Law and material Contractual Obligations would reasonably be expected to have a Materially Adverse Effect.

SECTION 7.3 PAYMENT OF TAXES AND CLAIMS, ETC. Pay, and cause each of its Subsidiaries to pay, (i) all taxes, assessments and governmental charges imposed upon it or upon its property, and (ii) all claims (including, without limitation, claims for labor, materials, supplies or services) which might, if unpaid, become a Lien upon its property, unless, in each case, the validity or amount thereof is being contested in good faith by appropriate proceedings and adequate reserves are maintained with respect thereto.

SECTION 7.4 KEEPING OF BOOKS. Keep, and cause each of its Subsidiaries to keep, proper books of record and account, containing complete and accurate entries of all their respective financial and business transactions.

SECTION 7.5 VISITATION, INSPECTION, ETC. Permit, and cause each of its Subsidiaries to permit, any representative of the Lender to visit and inspect any of its property, to examine its books and records and to make copies and take extracts therefrom, and to discuss its affairs, finances and accounts with its officers, all at such reasonable times and as often as the Lender or the Lender may reasonably request after reasonable prior notice to Borrower; provided, however, that at any time following the occurrence and during the continuance of a Default or an Event of Default, no prior notice to Borrower shall be required.

SECTION 7.6 INSURANCE; MAINTENANCE OF PROPERTIES.

(a) Maintain or cause to be maintained with financially sound and reputable insurers, insurance with respect to its properties and business, and the properties and business of the Borrower and each of its Subsidiaries, against loss or damage of the kinds customarily insured against by reputable companies in the same or similar businesses, such insurance to be of such types and in such amounts, including such self-insurance and deductible provisions, as is customary for such companies under similar circumstances; provided, however, that in any event Borrower shall use its best efforts to maintain, or cause to be maintained, insurance in amounts and with coverage not materially less favorable to any Consolidated Company as in effect on the date of this Agreement, except where the costs of maintaining such insurance would, in the judgment of both Borrower and the Lender, be excessive.

(b) Cause all properties used or useful in the conduct of each Consolidated Company to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, settlements and improvements thereof, all as in the judgment of Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent Borrower from discontinuing the operation or maintenance of any such properties if such discontinuance is, in the judgment of Borrower, desirable in the conduct of its business or the business of any Consolidated Company.

SECTION 7.7 REPORTING COVENANTS. Furnish to the Lender:

(a) Annual Financial Statements. As soon as available and in any event within ninety days after the end of each fiscal year of Borrower, balance sheets of the Consolidated Companies as at the end of such year, presented on a consolidated basis, and the related statements of income, shareholders' equity, and cash flows of the Consolidated Companies for such fiscal year, presented on a consolidated basis, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and accompanied by a report thereon of Ernst and Young or other independent public accountants of comparable recognized national standing, which such report shall be unqualified as to going concern and scope of audit and shall state that such financial statements present fairly in all material respects the financial condition as at the end of such fiscal year on a consolidated basis, and the results of operations and statements of cash flows of the Consolidated Companies for such fiscal year in accordance with GAAP and that the examination by such accountants in connection with such consolidated financial statements has been made in accordance with GAAP, and where said financial statements are not consistently applied with the prior fiscal year statements and the impact of said difference;

(b) Quarterly Financial Statements. As soon as available and in any event within forty-five days after the end of each fiscal quarter of Borrower (including the fourth fiscal quarter), balance sheets of the Consolidated Companies as at the end of such quarter presented on a consolidated basis and the related statements of income, shareholders' equity, and cash flows of the Consolidated Companies for such fiscal quarter and for the portion of Borrower's fiscal year ended at the end of such quarter, presented on a consolidated basis setting forth in each case in comparative form the figures for the corresponding quarter and the corresponding portion of Borrower's previous fiscal year, all in reasonable detail and certified by the chief financial officer or principal accounting officer of Borrower that such financial statements fairly present in all material respects the financial condition of the Consolidated Companies as at the end of such fiscal quarter on a consolidated basis, and the results of operations and statements of cash flows of the Consolidated Companies for such fiscal quarter and such portion of Borrower's fiscal year, in accordance with GAAP consistently applied (subject to normal year end audit adjustments and the absence of certain footnotes;

(c) No Default/Compliance Certificate. Together with the financial statements required pursuant to subsections (a), (b) and (c) above, a certificate of the president, chief financial officer or principal accounting officer of Borrower (i) to the effect that, based upon a review of the activities of the Consolidated Companies and such financial statements during the period covered thereby, there exists no Event of Default and no Default under this Agreement, or if there exists an Event of Default or a Default hereunder, specifying the nature thereof and the proposed response thereto, and (ii) demonstrating in reasonable detail compliance as at the end of such fiscal year or such fiscal quarter with Section 7.8 and Sections 8.1 through 8.4;

(d) Notice of Default. Promptly after Borrower has notice or knowledge of the occurrence of an Event of Default or a Default, a certificate of the chief financial officer or principal accounting officer of Borrower specifying the nature thereof and the proposed response thereto;

(e) Litigation. Promptly after (i) the occurrence thereof, notice of the institution of or any adverse development in any action, suit or proceeding or any governmental investigation or any arbitration, before any court or arbitrator or any governmental or administrative body, agency or official, against any Consolidated Company, or any material property thereof, in any case which might have a Materially Adverse Effect, or (ii) actual knowledge thereof, notice of the threat of any such action, suit, proceeding, investigation or arbitration;

(f) Environmental Notices. Promptly after receipt thereof, notice of any actual or alleged violation, or notice of any action, claim or request for information, either judicial or administrative, from any governmental authority relating to any actual or alleged claim, notice of potential responsibility under or violation of any Environmental Law, or any actual or alleged spill, leak, disposal or other release of any Hazardous Material by any Consolidated Company which could result in penalties, fines, claims or other liabilities to any Consolidated Company in amounts in excess of $250,000 individually or in the aggregate;

(g) ERISA.

A. Promptly after the occurrence thereof with respect to any Plan of any Consolidated Company or any ERISA Affiliate thereof, or any trust established thereunder, notice of (x) a "reportable event" described in

Section 4043 of ERISA and the regulations issued from time to time thereunder (other than a "reportable event" not subject to the provisions for thirty day notice to the PBGC under such regulations), or (y) any other event which could subject any Consolidated Company to any tax, penalty or liability under Title I or Title IV of ERISA or Chapter 43 of the Code, or any tax or penalty resulting from a loss of deduction under Sections 162, 404 or 419 of the Code, where any such taxes, penalties or liabilities exceed or could exceed $250,000 in the aggregate;

B. Promptly after such notice must be provided to the PBGC, or to a Plan participant, beneficiary or alternative payee, any notice required under Section 101(d), 302(f)(4), 303, 307, 4041(b)(1)(A) or 4041(c)(1)(A) of ERISA or under Section 401(a)(29) or 412 of the Code with respect to any Plan of any Consolidated Company or any ERISA Affiliate thereof;

C. Promptly after receipt, any notice received by any Consolidated Company or any ERISA Affiliate thereof concerning the intent of the PBGC or any other governmental authority to terminate a Plan of such Company or ERISA Affiliate thereof which is subject to Title IV of ERISA, to impose any liability on such Company or ERISA Affiliate under Title IV of ERISA or Chapter 43 of the Code;

D. Upon the request of the Lender, promptly upon the filing thereof with the Internal Revenue Service ("IRS") or the Department of Labor ("DOL"), a copy of IRS Form 5500 or annual report for each Plan of any Consolidated Company or ERISA Affiliate thereof which is subject to Title IV of ERISA;

E. Upon the request of the Lender, (A) true and complete copies of any and all documents, government reports and IRS determination or opinion letters or rulings for any Plan of any Consolidated Company from the IRS, PBGC or DOL, (B) any reports filed with the IRS, PBGC or DOL with respect to a Plan of the Consolidated Companies or any ERISA Affiliate thereof, or (C) a current statement of withdrawal liability for each Multi-Employer Plan of any Consolidated Company or any ERISA Affiliate thereof;

(h) Liens. Promptly upon any Consolidated Company becoming aware thereof, notice of the filing of any federal statutory Lien, tax or other state or local government Lien or any other Lien affecting their respective properties, other than Permitted Liens except as expressly required by Section 8.2;

(i) Public Filings, Etc. Promptly upon the filing thereof or otherwise becoming available, copies of all financial statements, annual, quarterly and special reports, proxy statements and notices sent or made available generally by Borrower to its public security holders, of all regular and periodic reports and all registration statements and prospectuses, if any, filed by any of them with any securities exchange or any governmental or state agency, and of all press releases and other statements made available generally to the public containing material developments in the business or financial condition of Borrower and the other Consolidated Companies;

(j) Accountants' Reports. Promptly upon receipt thereof, copies of all financial statements of, and all reports submitted by, independent public accountants to Borrower in

connection with each annual, interim, or special audit of Borrower's consolidated financial statements;

(k) Burdensome Restrictions, Etc. Promptly upon the existence or occurrence thereof, notice of the existence or occurrence of (i) any Contractual Obligation or Requirement of Law described in Section 6.23, (ii) failure of any Consolidated Company to hold in full force and effect those material trademarks, service marks, patents, trade names, copyrights, licenses and similar rights necessary in the normal conduct of its business, and (iii) any strike, labor dispute, slow down or work stoppage as described in Section 6.21;

(l) New Material Subsidiaries. Within thirty days after the formation or acquisition of any Material Subsidiary, or any other event resulting in the creation of a new Material Subsidiary, notice of the formation or acquisition of such Material Subsidiary or such occurrence, including a description of the assets of such entity, the activities in which it will be engaged, and such other information as the Lender may request;

(m) Intercompany Asset Transfers. Promptly upon the occurrence thereof, notice of the transfer of any assets from Borrower or any Guarantor to any other Consolidated Company that is not Borrower or a Guarantor (in any transaction or series of related transactions), excluding sales or other transfers of assets in the ordinary course of business, where the Asset Value of such assets is less than $500,000;

(n) Other Information. With reasonable promptness, such other information about the Consolidated Companies as the Lender may reasonably request from time to time.

(o) Capital of Borrower.

(i) Notice of any sale of any Capital Stock by the Borrower, giving for each said transaction the name and address of the Persons involved and the Capital Stock involved.

(ii) Any documents, notices or other writings given by any Person owning Capital Stock in the Parent under any stockholders agreement by one or more Persons owning Capital Stock of the Borrower.

SECTION 7.8 MAINTAIN THE FOLLOWING FINANCIAL COVENANTS.

(a) Minimum Consolidated Net Worth. Consolidated Net Worth shall at all times be greater than $35,000,000 plus (i) 50% of all cumulative Consolidated Net Income earned after September 31, 1994, and (ii) the net proceeds, less appropriate expenses, of any future stock equity issues.

(b) Consolidated Working Capital. Consolidated current assets shall at all times be greater than 90% of consolidated current liabilities.

(c) Fixed Debt/Debt Service Coverage Ratio. Earnings before Interest Expense, Operating Lease Expenses and Taxes plus Depreciation and Amortization divided by Interest Expense, Operating Lease Expenses and Current Maturities of Long Term Debt shall at the end of each quarter (based on the operating results for the four most recent fiscal quarters) never be less than:

2.00 to 1.00.

(d) Leverage Ratio. Consolidated Funded Debt divided by Total Capital shall never be greater than:

0.55 to 1.00.

(e) Cash Flow Leverage Test. Consolidated Funded Debt divided by Cash Flow (Net Income plus Depreciation and Amortization) shall never be less than:

2.25 to 1.00

SECTION 7.9 NOTICES UNDER CERTAIN OTHER INDEBTEDNESS. Immediately upon its receipt thereof, Borrower shall furnish the Lender a copy of any notice received by it, or any other Consolidated Company (i) from the holder(s) of Indebtedness referred to in Section 8.1 (or from any trustee, agent, attorney, or other party acting on behalf of such holder(s)) in an amount which, in the aggregate, exceeds $250,000, where such notice states or claims the existence or occurrence of any default or event of default with respect to such Indebtedness under the terms of any indenture, loan or credit agreement, debenture, note, or other document evidencing or governing such Indebtedness, or (ii) from any regulatory insurance agency or insurance company regrading any licenses or agreements regarding the business of the Consolidated Company and which could have a Material Adverse Effect. Borrower agrees to take such actions as may be necessary to require the holder(s) of any Indebtedness (or any trustee or agent acting on their behalf) in an amount exceeding $250,000 incurred pursuant to documents executed or amended and restated after the Closing Date, to furnish copies of all such notices directly to the Lender simultaneously with the furnishing thereof to Borrower, and that such requirement may not be altered or rescinded without the prior written consent of the Lender.

SECTION 7.10 ADDITIONAL GUARANTORS/CREDIT PARTIES/COLLATERAL. Promptly after (i) the formation or acquisition (provided that nothing in this Section shall be deemed to authorize the acquisition of any entity) of any Material Subsidiary not listed on Schedule 6.12, (ii) the transfer of assets to any Consolidated Company if notice thereof is required to be given pursuant to Section 7.7(m) and as a result thereof the recipient of such assets becomes a Material Subsidiary, (iii) the occurrence of any other event creating a new Material Subsidiary, Borrower shall cause to be executed and delivered a Guaranty Agreement from each such Material Subsidiary in the form attached hereto as Exhibit I, the joinder to the Contribution Agreement by such Material Subsidiary, a certificate to be added to the Pledge Agreement by the Person owning the Capital Stock of said Material Subsidiary by which all of said Capital Stock is pledged to the Lender, and a certificate to be added to the Security Agreement from said Material Subsidiary whereby a first, perfected security interest in the assets of said Material Subsidiary is granted to the Lender, and such other documents as the Lender may reasonably request.

SECTION 7.11 OWNERSHIP OF GUARANTORS. Borrower, and each Wholly Owned Subsidiary, as the case may be, shall maintain its percentage of ownership existing as of the date hereof of all Guarantors, and shall not decrease its ownership percentage in each Person which becomes a Guarantor after the date hereof, as such ownership exists at the time such Person becomes a Guarantor or may be increased thereafter.

ARTICLE VIII

NEGATIVE COVENANTS

So long as the Revolving Loan Commitment remains in effect hereunder or the Note shall remain unpaid, Borrower will not and will not permit any Subsidiary to:

SECTION 8.1 INDEBTEDNESS. Create, incur, assume or suffer to exist any Indebtedness, other than:

(a) Indebtedness under this Agreement;

(b) Indebtedness outstanding on the date hereof or pursuant to lines of credit in effect on the date hereof and described on Schedule 8.1(b), together with all extensions, renewals and refinancings thereof, provided, however , any such extensions, renewals and refinancings shall not, without the written consent of the Lender, increase any such Indebtedness or modify the terms of said Indebtedness on terms less favorable to the maker or obligor;

(c) Purchase money Indebtedness to the extent secured by a Lien permitted by Section 8.2(b) provided such purchase money Indebtedness does not exceed $250,000;

(d) Unsecured current liabilities (other than liabilities for borrowed money or liabilities evidenced by promissory notes, bonds or similar instruments) incurred in the ordinary course of business (whether now outstanding or hereafter arising or incurred) and either (i) not more than 30 days past due, or (ii) being disputed in good faith by appropriate proceedings with reserves for such disputed liability maintained in conformity with GAAP and Indebtedness in the nature of contingent repayment obligations arising in the ordinary and normal course of business with respect to deposits and down payments;

(e) The Intercompany Loans described on Schedule 6.22 and any other loans between Consolidated Companies provided that no loan or other extension of credit may be made by a Guarantor to another Consolidated Company that is not a Guarantor hereunder and all such loans and extensions of credit shall not exceed $250,000 in the aggregate at any one time outstanding (excluding Intercompany Loans listed on Schedule 6.22) unless otherwise agreed in writing by the Lender;

(f) Unsecured, Subordinated Debt, not to exceed an aggregate amount of $1,000,000, and other Subordinated Debt in form and substance acceptable to the Lender and evidenced by its written consent thereto;

SECTION 8.2 LIENS. Create, incur, assume or suffer to exist any Lien on any of its property now owned or hereafter acquired to secure any Indebtedness other than:

(a) Liens existing on the date hereof disclosed on Schedule 8.2, and provided no Event of Default has occurred and is then continuing, any renewal, extension or refunding of such Lien in an amount not exceeding the amount thereof remaining unpaid immediately prior to such renewal, extension or refunding;

(b) Any Lien on any property securing Indebtedness incurred or assumed for the purpose of financing all or any part of the acquisition cost of such property and any refinancing thereof, provided that such Lien does not extend to any other property, and

provided further that the aggregate principal amount of Indebtedness secured by all such Liens at any time does not exceed $250,000;

(c) Liens for taxes not yet due, and Liens for taxes or Liens imposed by ERISA which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained;

(d) Statutory Liens of landlords (excluding however any Material Places of Business) and Liens of carriers, warehousemen, mechanics, materialmen and other Liens imposed by law created in the ordinary course of business for amounts not yet due or which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained;

(e) Liens incurred or deposits made in the ordinary course of business in connection with workers or workman's compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(f) Liens securing the Facilities; and

(g) Liens reserved or invested in governmental authority (including without limitation zoning laws) which do not materially impair the use of such property.

SECTION 8.3 SALES, ETC. Sell, lease, or otherwise dispose of its accounts, property or other assets (including Capital Stock of Subsidiaries); provided, however, that the foregoing restrictions on asset sales shall not be applicable to (i) sales of equipment or other personal property being replaced by other equipment or other personal property purchased as a capital expenditure item, and (ii) other asset sales (including the Capital Stock of Subsidiaries) from one Credit Party to the other.

SECTION 8.4 MERGERS, ACQUISITIONS, ETC. Merge or consolidate with any other Person, or acquire by purchase any other person or its assets, provided, however, that the foregoing restrictions on mergers shall not apply to (i) Permitted Acquisition provided that notice of said pending Permitted Acquisition is given to the Lender along with a certification after said Permitted Acquisition that this Agreement has been complied with both before and after said Acquisition, (ii) mergers between a Subsidiary of Borrower and Borrower or between Subsidiaries of Borrower, or (iii) mergers between a third party and the Borrower where the Borrower is the surviving corporation provided that said merger is a Permitted Acquisition, provided, however, that no transaction pursuant to clauses (i), (ii), or (iii) shall be permitted if any Default or Event of Default otherwise exists at the time of such transaction or would otherwise arise as a result of such transaction.

SECTION 8.5 INVESTMENTS, LOANS, ETC. Make, permit or hold any Investments in any Person, or otherwise acquire or hold any Subsidiaries, other than:

(a) Investments in Subsidiaries that are Guarantors under this Agreement, whether such Subsidiaries are Guarantors on the Closing Date or become Guarantors in accordance with Section 7.10 after the Closing Date; provided, however, nothing in this Section 8.5 shall be deemed to authorize an investment pursuant to this subsection (a) in any entity that is not a Subsidiary and a Guarantor prior to such investment;

(b) Investments in Subsidiaries, other than those Subsidiaries that are or become Guarantors under this Agreement, made after the Closing Date, in an aggregate amount not to exceed $250,000 unless otherwise consented to in writing by the Lender;

(c) Direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof, in each case supported by the full faith and credit of the United States and maturing within one year from the date of creation thereof;

(d) Commercial paper maturing within one year from the date of creation thereof rated in the highest grade by a nationally recognized credit rating agency;

(e) Time deposits maturing within one year from the date of creation thereof with, including certificates of deposit issued by the Lender and any office located in the United States of any bank or trust company which is organized under the laws of the United States or any state thereof and has assets aggregating at least $500,000,000, including without limitation, any such deposits in Eurodollars issued by a foreign branch of any such bank or trust company;

(f) Investments made by Plans;

(g) Permitted Intercompany Loans on terms and conditions acceptable to the Lender; and

(h) Investments in stock or assets of another entity which thereby becomes a Subsidiary, in an aggregate amount not to exceed $5,000,000 in cash consideration, which transaction constitutes a Permitted Acquisition.

(i) Advances made to employees in the ordinary and normal course of business consistent with past practice and for business purposes, and which advances are repaid by the employee within thirty days.

SECTION 8.6 SALE AND LEASEBACK TRANSACTIONS. Sell or transfer any property, real or personal, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property which any Consolidated Company intends to use for substantially the same purpose or purposes as the property being sold or transferred.

SECTION 8.7 TRANSACTIONS WITH AFFILIATES. Except as otherwise approved in writing by the Lender:

(a) Enter into any material transaction or series of related transactions which in the aggregate would be material, whether or not in the ordinary course of business, with any Affiliate of any Consolidated Company (but excluding any Affiliate which is also a Wholly Owned Subsidiary), other than on terms and conditions substantially as favorable to such Consolidated Company as would be obtained by such Consolidated Company at the time in a comparable arm's length transaction with a Person other than an Affiliate.

(b) Convey or transfer to any other Person (including any other Consolidated Company) any real property, buildings, or fixtures used in the manufacturing or production operations of any Consolidated Company, or convey or transfer to any other Consolidated Company any other assets (excluding conveyances or transfers in the ordinary course of

business) if at the time of such conveyance or transfer any Default or Event of Default exists or would exist as a result of such conveyance or transfer.

SECTION 8.8 OPTIONAL PREPAYMENTS. Directly or indirectly, prepay, purchase, redeem, retire, defense or otherwise acquire, or make any optional payment on account of any principal of, interest on, or premium payable in connection with the optional prepayment, redemption or retirement of, any of its Indebtedness, or give a notice of redemption with respect to any such Indebtedness, or make any payment in violation of the subordination provisions of any Subordinated Debt, except with respect to (i) the Obligations under this Agreement and the Notes, (ii) prepayments of Indebtedness outstanding pursuant to revolving credit, overdraft and line of credit facilities permitted pursuant to Section 8.1 (c), (d), (g) and (h), (iii) Intercompany Loans made or outstanding pursuant to Section 8.1(e), (iv) Intercompany Loans where both Consolidated Companies are not Credit Parties made or outstanding pursuant to Section 8.1 upon the prior written consent of the Lender, and (v) Subordinated Debt, upon the prior written consent, of the Lender.

SECTION 8.9 CHANGES IN BUSINESS. Enter into any business which is substantially different from that presently conducted by the Consolidated Companies taken as a whole.

SECTION 8.10 ERISA. Take or fail to take any action with respect to any Plan of any Consolidated Company or, with respect to its ERISA Affiliates, any Plans which are subject to Title IV of ERISA or to continuation health care requirements for group health plans under the Code, including without limitation (i) establishing any such Plan, (ii) amending any such Plan (except where required to comply with applicable law), (iii) terminating or withdrawing from any such Plan, or (iv) incurring an amount of unfunded benefit liabilities, as defined in Section 4001(a)(18) of ERISA, or any withdrawal liability under Title IV of ERISA with respect to any such Plan, without first obtaining the written approval of the Lender and the Required Lender, to the extent that such actions or failures could result in a Materially Adverse Effect.

SECTION 8.11 ADDITIONAL NEGATIVE PLEDGES. Create or otherwise cause or suffer to exist or become effective, directly or indirectly, any prohibition or restriction on the creation or existence of any Lien upon any asset of any Consolidated Company, other than pursuant to (i) the terms of any agreement, instrument or other document pursuant to which any Indebtedness permitted by Section 8.2(b) is incurred by any Consolidated Company, so long as such prohibition or restriction applies only to the property or asset being financed by such Indebtedness, and (ii) any requirement of applicable law or any regulatory authority having jurisdiction over any of the Consolidated Companies.

SECTION 8.12 LIMITATION ON PAYMENT RESTRICTIONS AFFECTING CONSOLIDATED COMPANIES. Create or otherwise cause or suffer to exist or become effective, any consensual encumbrance or restriction on the ability of any Consolidated Company to (i) pay dividends or make any other distributions on such Consolidated Company's stock, or (ii) pay any indebtedness owed to Borrower or any other Consolidated Company, or (iii) transfer any of its property or assets to Borrower or any other Consolidated Company, except any consensual encumbrance or restriction existing under the Credit Documents.

SECTION 8.13 ACTIONS UNDER CERTAIN DOCUMENTS. Without the prior written consent of the Lender (which consent shall not be unreasonably withheld), modify, amend, cancel or rescind the Intercompany Loans or Intercompany Credit Documents (except that a loan between Consolidated Companies as permitted by Section 8.1 may be modified or amended so long as it otherwise satisfies the requirements of Section 8.1), or make demand of payment or accept payment on any Intercompany Loans permitted by Section 8.1, except that current interest accrued thereon as of the date of this Agreement and all interest subsequently accruing thereon (whether or not paid currently) may be paid unless a Default or Event of Default has occurred and is continuing.

SECTION 8.14 FINANCIAL STATEMENTS; FISCAL YEAR. Borrower shall make no change in the dates of the fiscal year now employed for accounting and reporting purposes without the prior written consent of the Lender, which consent shall not be unreasonably withheld.

SECTION 8.15 CHANGE OF MANAGEMENT. Allow or suffer to occur any change of management of the Borrower which creates an Event of Default under Section 9.13.

SECTION 8.16 CHANGE OF CONTROL. Allow or suffer to occur any change of control of the Borrower in violation of Section 9.11.

SECTION 8.17 GUARANTIES. Without the prior written consent of the Lender, extend or execute any Guaranty other than (i) endorsements of instruments for deposit or collection in the ordinary and normal course of business, and (ii) Guaranties acceptable in writing to the Lender.

SECTION 8.18 CHANGES IN DEBT INSTRUMENTS. Without the prior written consent of the Lender, enter into any amendment, change or modification of any agreement relating to any Indebtedness provided, however, the foregoing restrictions shall not prohibit any such amendment, change or modification where (i) it relates solely to an extension of a maturity date if said Indebtedness is not already in default, and (ii) other changes in said agreements which are not material, provided, however if said amendment, change or modification constitutes the waiver of any default condition under said agreement, notice of said matter along with a copy of said amendment, change or modification shall be given to the Lender.

SECTION 8.19 This section is not applicable.

SECTION 8.20 NO ISSUANCE OF CAPITAL STOCK. Without the prior written consent of the Lender permit any Subsidiary to issue any additional Capital Stock.

SECTION 8.21 NO PAYMENTS ON SUBORDINATED DEBT. Without the prior written consent of the Lender:

(a) The Borrower shall not make or cause any payment of principal to be made on the Subordinated Debt unless and until all Obligations due the Lender hereunder are paid in full; and

(b) The Borrower shall not make or cause any payment of interest to be made on the Subordinated Debt except and only to the extent and only during the period of time permitted under the Subordinated Debt document; and

(c) Upon the occurrence and continuation of an Event of Default and, as a result of which, the Lender has elected to exercise any of the remedies under Article IX, the Borrower shall not thereafter make or permit any payments of any nature whatsoever to be made on any Subordinated Debt.

SECTION 8.22 INSURANCE BUSINESS. Without the prior written consent of the Lender no Consolidated Company may engage in any business in the nature of an insurance company, in which the Consolidated Company assumes the risk as an insurer.

ARTICLE IX

EVENTS OF DEFAULT

Upon the occurrence and during the continuance of any of the following specified events (each an "Event of Default"):

SECTION 9.1 PAYMENTS. Borrower shall fail to make promptly when due (including, without limitation, by mandatory prepayment) any principal payment with respect to the Loans, or Borrower shall fail to make within five Business Days after the due date thereof any payment of interest, fee or other amount payable hereunder;

SECTION 9.2 COVENANTS WITHOUT NOTICE. Borrower shall fail to observe or perform any covenant or agreement contained in Sections 7.8, 7.11, 8.1 through 8.22;

SECTION 9.3 OTHER COVENANTS. Borrower shall fail to observe or perform any covenant or agreement contained in this Agreement, other than those referred to in Sections 9.1 and 9.2, and, if capable of being remedied, such failure shall remain unremedied for thirty days after the earlier of (i) Borrower's obtaining actual knowledge thereof, or (ii) written notice thereof shall have been given to Borrower by Lender or the Lender;

SECTION 9.4 REPRESENTATIONS. Any representation or warranty made or deemed to be made by Borrower or any other Credit Party under this Agreement or any other Credit Document (including the Schedules attached thereto), or any certificate or other document submitted to the Lender or the Lender by any such Person pursuant to the terms of this Agreement or any other Credit Document, shall be incorrect in any material respect when made or deemed to be made or submitted;

SECTION 9.5 NON-PAYMENTS OF OTHER INDEBTEDNESS. Any Consolidated Company shall fail to make when due (whether at stated maturity, by acceleration, on demand or otherwise, and after giving effect to any applicable grace period) any payment of principal of or interest on any Indebtedness (other than the Obligations) exceeding $1,000,000 in the aggregate;

SECTION 9.6 DEFAULTS UNDER OTHER AGREEMENTS. Any Consolidated Company shall fail to observe or perform any covenants or agreements contained in any agreements or instruments relating to any of its Indebtedness exceeding $1,000,000 in the aggregate, or any other event shall occur in respect of Indebtedness exceeding $1,000,000 if the effect of such failure or other event is to accelerate, or to permit the holder of such Indebtedness or any other Person to accelerate, the maturity of such Indebtedness; or any such Indebtedness shall be required to be prepaid (other than by a regularly scheduled required prepayment) in whole or in part prior to its stated maturity;

SECTION 9.7 BANKRUPTCY. Any Consolidated Company, shall commence a voluntary case concerning itself under the Bankruptcy Code or an involuntary case for bankruptcy is commenced against any Consolidated Company and the petition is not controverted within ten days, or is not dismissed within sixty days, after commencement of the case; or a custodian (as defined in the Bankruptcy Code) is appointed for, or takes charge of, all or any substantial part of the property of any Consolidated Company; or any Consolidated Company commences proceedings of its own bankruptcy or to be granted a suspension of payments or any other proceeding under any reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction, whether now or hereafter in effect, relating to any Consolidated Company or there is commenced against any Consolidated Company any such proceeding which remains undismissed for a period of sixty days; or any Consolidated Company is adjudicated insolvent or bankrupt; or any order of relief or other order approving any such case or proceeding is entered;

or any Consolidated Company suffers any appointment of any custodian or the like for it or any substantial part of its property to continue undischarged or unstayed for a period of sixty days; or any Consolidated Company makes a general assignment for the benefit of creditors; or any Consolidated Company shall fail to pay, or shall state that it is unable to pay, or shall be unable to pay, its debts generally as they become due; or any Consolidated Company shall call a meeting of its creditors with a view to arranging a composition or adjustment of its debts; or any Consolidated Company shall by any act or failure to act indicate its consent to, approval of or acquiescence in any of the foregoing; or any corporate action is taken by any Consolidated Company for the purpose of effecting any of the foregoing;

SECTION 9.8 ERISA. A Plan of a Consolidated Company or a Plan subject to Title IV of ERISA of any of its ERISA Affiliates:

(a) shall fail to be funded in accordance with the minimum funding standard required by applicable law, the terms of such Plan, Section 412 of the Code or Section 302 of ERISA for any plan year or a waiver of such standard is sought or granted with respect to such Plan under applicable law, the terms of such Plan or Section 412 of the Code or Section 303 of ERISA; or

(b) is being, or has been, terminated or the subject of termination proceedings under applicable law or the terms of such Plan; or

(c) shall require a Consolidated Company to provide security under applicable law, the terms of such Plan, Section 401 or 412 of the Code or Section 306 or 307 of ERISA; or

(d) results in a liability to a Consolidated Company under applicable law, the terms of such Plan, or Title IV of ERISA;

and there shall result from any such failure, waiver, termination or other event a liability to the PBGC or a Plan that would have a Materially Adverse Effect;

SECTION 9.9 MONEY JUDGMENT. A judgment or order for the payment of money in excess of $250,000 or otherwise having a Materially Adverse Effect shall be rendered against any other Consolidated Company, and such judgment or order shall continue unsatisfied (in the case of a money judgment) and in effect for a period of 30 days during which execution shall not be effectively stayed or deferred (whether by action of a court, by agreement or otherwise);

SECTION 9.10 OWNERSHIP OF CREDIT PARTIES AND PLEDGED ENTITIES. If shall at any time fail to own and control the required percentage of the voting stock of any Guarantor, either directly or indirectly through a Wholly-Owned Subsidiary, as of the date that Person became or was required to become a Guarantor.

SECTION 9.11 CHANGE IN CONTROL OF BORROWER.

(a) Any "person" or "group" (within the meaning of Sections 13(d) and 14(d)(2) of the Exchange Act), other than stockholders existing on the Closing Date or their affiliates and the Persons set forth in Schedule 9.11 shall become the "beneficial owner(s)" (as defined in said Rule 13d-3) of more than forty percent (40%) of the shares of the outstanding Capital Stock of Borrower entitled to vote for members of Borrower's board of directors; or

(b) Any event or condition shall occur or exist which, pursuant to the terms of any change in control provision, requires or permits the holder(s) of Indebtedness of any

Consolidated Company to require that such Indebtedness be redeemed, repurchased, defeased, prepaid or repaid, in whole or in part, or the maturity of such Indebtedness to be accelerated in any respect.

SECTION 9.12 DEFAULT UNDER OTHER CREDIT DOCUMENTS. There shall exist or occur any "Event of Default" as provided under the terms of any other Credit Document (after giving effect to any applicable grace period), or any Credit Document ceases to be in full force and effect or the validity or enforceability thereof is disaffirmed by or on behalf of any Credit Party, or at any time it is or becomes unlawful for any Credit Party to perform or comply with its obligations under any Credit Document, or the obligations of any Credit Party under any Credit Document are not or cease to be legal, valid and binding on any such Credit Party;

SECTION 9.13 MANAGEMENT. If for any reason the Borrower shall cease to have management personnel reasonably satisfactory to the Lender (present management being deemed acceptable), and no successor(s) thereto reasonably acceptable to the Lender shall have been engaged and shall have commenced to perform his/their duties with ninety days after such cessation; and provided that during said ninety day period, the failure to obtain any successor management shall not have a Materially Adverse Effect. If for any reason J. Hyatt Brown ceases to be involved with the Borrower, the Borrower agrees that the Lender would be entitled to determine that said change is not satisfactory to the Lender;

SECTION 9.14 ATTACHMENTS. An attachment or similar action shall be made on or taken against any of the assets of any Consolidated Company with an Asset Value exceeding $500,000 in aggregate and is not removed, suspended or enjoined within thirty days of the same being made or any suspension or injunction being lifted;

SECTION 9.15 DEFAULT UNDER SUBORDINATED LOAN DOCUMENTS. An event of default occurs and is continuing under any Subordinated Debt;

SECTION 9.16 MATERIAL ADVERSE EFFECT. The occurrence of any Material Adverse Effect in the financial condition of any Consolidated Company or its business:

then, and in any such event, and at any time thereafter if any Event of Default shall then be continuing, the Lender may, and upon the written request of the Lender, shall, by written notice to Borrower, take any or all of the following actions, without prejudice to the rights of the Lender, the Lender or the holder of any Note to enforce its claims against Borrower or any other Credit Party: (i) declare the Revolving Loan Commitment terminated, whereupon the Commitment of the Lender shall terminate immediately and any fees due under this Agreement shall forthwith become due and payable without any other notice of any kind; (ii) declare the principal of and any accrued interest on the Loans, and all other obligations owing hereunder, to be, whereupon the same shall become, forthwith due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower (iii) exercise such other remedies as are provided to the Lender under any other Credit Document; (iv) exercise such other rights as may be provided by applicable law; and (v) declare that all Obligations shall thereafter bear interest at the Default Rate; provided, that, if an Event of Default specified in Section 9.7 shall occur, the result which would occur upon the giving of written notice by the Lender to any Credit Party, as specified in clauses (i), (ii), (iii) or, (iv) or (v) above, shall occur automatically without the giving of any such notice.

ARTICLE X

THIS ARTICLE IS NOT APPLICABLE.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1 NOTICES. All notices, requests and other communications to any party hereunder shall be in writing (including bank wire, telex, telecopy or similar teletransmission or writing) and shall be given to such party at its address or applicable teletransmission number set forth on the signature pages hereof, or such other address or applicable teletransmission number as such party may hereafter specify by notice to the Lender and Borrower. Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified in this Section and the appropriate answerback is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, (iii) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section and the appropriate confirmation is received, or (iv) if given by any other means (including, without limitation, by air courier), when delivered or received at the address specified in this Section; provided that notices to the Lender shall not be effective until received.

SECTION 11.2 AMENDMENTS, ETC. No amendment or waiver of any provision of this Agreement or the other Credit Documents, nor consent to any departure by any Credit Party therefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Notwithstanding the foregoing, no amendment, waiver or consent shall, unless in writing and signed by the Lender in addition to the Lender required hereinabove to take such action, affect the rights or duties of the Lender under this Agreement or under any other Credit Document.

SECTION 11.3 NO WAIVER; REMEDIES CUMULATIVE. No failure or delay on the part of the Lender in exercising any right or remedy hereunder or under any other Credit Document, and no course of dealing between any Credit Party and the Lender, shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy hereunder or under any other Credit Document preclude any other or further exercise thereof or the exercise of any other right or remedy hereunder or thereunder. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Lender, would otherwise have. No notice to or demand on any Credit Party not required hereunder or under any other Credit Document in any case shall entitle any Credit Party to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Lender, any other or further action in any circumstances without notice or demand.

SECTION 11.4 PAYMENT OF EXPENSES, ETC. Borrower shall:

(a) whether or not the transactions hereby contemplated are consummated, pay all reasonable, out-of-pocket costs and expenses of the Lender in the administration (both before and after the execution hereof and including reasonable expenses actually incurred relating to advice of counsel as to the rights and duties of the Lender with respect thereto) of, and in connection with the preparation, execution and delivery of, preservation of rights under, enforcement of, and, after a Default or Event of Default, refinancing, renegotiation or restructuring of, this Agreement and the other Credit Documents and the documents and instruments referred to therein, and any amendment, waiver or consent relating thereto (including, without limitation, the reasonable fees actually incurred and disbursements of counsel for the Lender), and in the case of enforcement of this Agreement or any Credit Document after the occurrence and during the continuance of an Event of Default, all such reasonable, out-of-pocket costs and expenses (including, without limitation, the reasonable fees actually incurred and disbursements of counsel), for any of the Lender;

(b) subject, in the case of certain Taxes, to the applicable provisions of Section 4.7(b), pay and hold the Lender harmless from and against any and all present and future stamp, documentary, intangible and other similar Taxes with respect to this Agreement, the Notes and any other Credit Documents, any collateral described therein, or any payments due thereunder, including interest and penalties and save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay or omission of Borrower to pay such Taxes, provided, however, nothing contained in this subsection shall obligate the Borrower to pay any taxes based on the overall income of the Lender; and

(c) indemnify the Lender, and its officers, directors, employees, representatives and agents from, and hold each of them harmless against, any and all costs, losses, liabilities, claims, damages or expenses incurred by any of them (whether or not any of them is designated a party thereto) (an "Indemnitee") arising out of or by reason of any third party investigation, litigation or other proceeding related to any actual or proposed use of the proceeds of any of the Loans or any Credit Party's entering into and performing of the Agreement, the Notes, or the other Credit Documents, including, without limitation, the reasonable fees actually incurred and disbursements of counsel (including foreign counsel) incurred in connection with any such third party investigation, litigation or other proceeding; provided, however, Borrower shall not be obligated to indemnify any Indemnitee for any of the foregoing arising out of such Indemnitee's gross negligence or willful misconduct or the breach by the Indemnitee of its obligations under this Agreement;

(d) without limiting the indemnities set forth in subsection (c) above, indemnify each Indemnitee for any and all expenses and costs (including without limitation, remedial, removal, response, abatement, cleanup, investigative, closure and monitoring costs), losses, claims (including claims for contribution or indemnity and including the cost of investigating or defending any claim and whether or not such claim is ultimately defeated, and whether such claim arose before, during or after any Credit Party's ownership, operation, possession or control of its business, property or facilities or before, on or after the date hereof, and including also any amounts paid incidental to any compromise or settlement by the Indemnitee or Indemnitees to the holders of any such claim), lawsuits, liabilities, obligations, actions, judgments, suits, disbursements, encumbrances, liens, damages (including without limitation damages for contamination or destruction of natural resources), penalties and fines of any kind or nature whatsoever (including without limitation in all cases the reasonable fees actually incurred, other charges and disbursements of counsel in connection therewith) incurred, suffered or sustained by that Indemnitee based upon, arising under or relating to Environmental Laws based on, arising out of or relating to in whole or in part, the existence or exercise of any rights or remedies by any Indemnitee under this Agreement, any other Credit Document or any related documents (but excluding those incurred, suffered or sustained by any Indemnitee as a result of any action taken by or on behalf of the Lender with respect to any Subsidiary of Borrower (or the assets thereof) owned or controlled by the Lender). The indemnity permitted in this clause (d) shall (i) not apply as to any Indemnity to any costs or expenses in connection with any condition, suspected condition, threatened condition or alleged condition which first arises and occurs after said Indemnitee Lender succeeds to the ownership of, takes possession of or operates the business or any property of the Borrower or any of its Subsidiaries, and (ii) in the case of cleanup, investigative, closure and monitoring costs concerning or relating to Hazardous Materials or any Environmental Laws shall only apply after an Event of Default has occurred and is continuing provided that the Credit Party is then undertaking and fulfilling all its obligations under this Agreement and Environmental Laws with respect to said cleanup, investigation, closure and monitoring.

If and to the extent that the obligations of Borrower under this Section 11.4 are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

SECTION 11.5 RIGHT OF SET-OFF. In addition to and not in limitation of all rights of offset that the Lender may have under applicable law, the Lender shall, upon the occurrence and during the continuance of any Event of Default and whether or not the Lender has made any demand or any Credit Party's obligations are matured, have the right to appropriate and apply to the payment of any Credit Party's obligations hereunder and under the other Credit Documents, all deposits of any Credit Party (general or special, time or demand, provisional or final, other than escrow or trust accounts denoted as such) then or thereafter held by and other indebtedness or property then or thereafter owing by the Lender, whether or not related to this Agreement or any transaction hereunder. The Lender shall promptly notify Borrower of any offset hereunder.

SECTION 11.6 BENEFIT OF AGREEMENT.

(a) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto, provided that Borrower may not assign or transfer any of its interest hereunder without the prior written consent of the Lender except as otherwise provided in this Agreement.

(b) The Lender may make, carry or transfer Loans at, to or for the account of, any of its branch offices or the office of an Affiliate of the Lender.

(c) The Lender may assign all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of any of its Commitments and the Loans at the time owing to it and the Notes held by it) to any Eligible Assignee; provided, however, that (i) the Borrower must give prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed) unless such assignment is to an Affiliate of the assigning Lender, (ii) the amount of the Revolving Loan Commitments, or Loans, in the case of assignment of Loans, of the assigning Lender subject to each assignment (determined as of the date the assignment and acceptance with respect to such assignment is delivered to the Lender) shall not be less than $1,000,000, (iii) the parties to each such assignment shall execute and deliver to the Lender an Assignment and Acceptance, together with a Note or Notes subject to such assignment and, unless such assignment is to an Affiliate of the Lender, a processing and recordation fee of $2,500, and (iv) the Eligible Assignee has the ability to satisfy the obligations of said Lender hereunder. Borrower shall not be responsible for such processing and recordation fee or any costs or expenses incurred by the Lender or the Lender in connection with such assignment. From and after the effective date specified in each Assignment and Acceptance, which effective date shall be at least one (1) Business Days after the execution thereof, the assignee thereunder shall be a party hereto and to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement. Notwithstanding the foregoing, the assigning Lender must retain after the consummation of such Assignment and Acceptance, a minimum aggregate amount of Commitments or Loans, as the case may be, of $2,000,000; provided, however, no such minimum amount shall be required with respect to any such assignment made at any time there exists an Event of Default hereunder. Within one (1) Business Days after receipt of the notice and the Assignment and Acceptance, Borrower, at its own expense, shall execute and deliver to the Lender, in exchange for the surrendered Note or Notes (which shall be marked "canceled" and delivered to Borrower), a new Note or Notes to the order of such assignee in a principal amount equal to the applicable Commitments or Loans assumed by it pursuant to such Assignment and Acceptance and new Note or Notes to the assigning

Lender in the amount of its retained Commitment or Commitments or amount of its retained Loans. Such new Note or Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such surrendered Note or Notes, shall be dated the date of the surrendered Note or Notes which they replace, and shall otherwise be in substantially the form attached hereto.

(d) The Lender may, without the consent of Borrower, sell participations to one or more of its Affiliate banks in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments in the Loans owing to it and the Notes held by it).

(e) The Lender or participant may, in connection with the assignment or participation or proposed assignment or participation, pursuant to this Section, disclose to the assignee or participant or proposed assignee or participant any information relating to Borrower or the other Consolidated Companies furnished to the Lender by or on behalf of Borrower or any other Consolidated Company. With respect to any disclosure of confidential, non- public, proprietary information, such proposed assignee or participant shall agree to use the information only for the purpose of making any necessary credit judgments with respect to this credit facility and not to use the information in any manner prohibited by any law, including without limitation, the securities laws of the United States. The proposed participant or assignee shall agree not to disclose any of such information except (i) to directors, employees, auditors or counsel to whom it is necessary to show such information, each of whom shall be informed of the confidential nature of the information, (ii) in any statement or testimony pursuant to a subpoena or order by any court, governmental body or other agency asserting jurisdiction over such entity, or as otherwise required by law (provided prior notice is given to Borrower and the Lender unless otherwise prohibited by the subpoena, order or law), and (iii) upon the request or demand of any regulatory agency or authority with proper jurisdiction. The proposed participant or assignee shall further agree to return all documents or other written material and copies thereof received from the Lender, the Lender or Borrower relating to such confidential information unless otherwise properly disposed of by such entity.

(f) The Lender may at any time assign all or any portion of its rights in this Agreement and the Notes issued to it to a Federal Reserve Bank; provided that no such assignment shall release the Lender from any of its obligations hereunder.

(g) If (i) any Taxes referred to in Section 4.7(b) have been levied or imposed so as to require withholdings or deductions by Borrower and payment by Borrower of additional amounts to the Lender as a result thereof, (ii) the Lender shall make demand for payment of any material additional amounts as compensation for increased costs pursuant to Section 4.10 or for its reduced rate of return pursuant to Section 4.16, or (iii) the Lender shall decline to consent to a modification or waiver of the terms of this Agreement or the other Credit Documents requested by Borrower, then and in such event, upon request from Borrower delivered to the Lender and the Lender, such Lender shall assign, in accordance with the provisions of Section 11.6(c), all of its rights and obligations under this Agreement and the other Credit Documents to another Lender or an Eligible Assignee selected by Borrower, in consideration for the payment by such assignee to the Lender of the principal of, and interest on, the outstanding Loans accrued to the date of such assignment, and the assumption of such Lender's Commitment hereunder, together with any and all other amounts owing to such Lender under any provisions of this Agreement or the other Credit Documents accrued to the date of such assignment.

SECTION 11.7 GOVERNING LAW; SUBMISSION TO JURISDICTION.

(a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND UNDER THE NOTES SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAW (WITHOUT GIVING EFFECT TO THE CONFLICT OF LAW PRINCIPLES THEREOF) OF THE STATE OF FLORIDA.

(b) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE CIRCUIT COURT OF ORANGE COUNTY, FLORIDA, OR ANY OTHER COURT OF THE STATE OF FLORIDA OR OF THE UNITED STATES OF AMERICA FOR THE MIDDLE DISTRICT OF FLORIDA, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, BORROWER HEREBY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE PARTIES HERETO HEREBY IRREVOCABLY WAIVE TRIAL BY JURY, AND, TO THE EXTENT PERMITTED BY LAW, BORROWER HEREBY IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING, WITHOUT LITIGATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(c) BORROWER HEREBY IRREVOCABLY DESIGNATES THE PRESIDENT OF THE BORROWER, AS SO DESIGNATED FROM TIME TO TIME, AT THE ADDRESS SET FORTH ON THE BORROWER'S SIGNATURE PAGE TO THIS AGREEMENT AS ITS DESIGNEE, APPOINTEE AND LOCAL AGENT TO RECEIVE, FOR AND ON BEHALF OF BORROWER, SERVICE OF PROCESS IN SUCH RESPECTIVE JURISDICTIONS IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR THE NOTES OR ANY DOCUMENT RELATED THERETO. IT IS UNDERSTOOD THAT A COPY OF SUCH PROCESS SERVED ON SUCH LOCAL LENDER WILL BE PROMPTLY FORWARDED BY SUCH LOCAL LENDER AND BY THE SERVER OF SUCH PROCESS BY MAIL TO BORROWER AT ITS ADDRESS SET FORTH OPPOSITE ITS SIGNATURE BELOW, BUT, TO THE EXTENT PERMITTED BY LAW, THE FAILURE OF BORROWER TO RECEIVE SUCH COPY SHALL NOT AFFECT IN ANY WAY THE SERVICE OF SUCH PROCESS. BORROWER FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO BORROWER AT ITS SAID ADDRESS, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING.

(d) Nothing herein shall affect the right of the Lender or any Credit Party to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against Borrower in any other jurisdiction.

SECTION 11.8 INDEPENDENT NATURE OF LENDER' RIGHTS. The amounts payable at any time hereunder to the Lender shall be a separate and independent debt, and the Lender shall be entitled to protect and enforce its rights pursuant to this Agreement and its Notes, and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

SECTION 11.9 COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

SECTION 11.10 EFFECTIVENESS; SURVIVAL.

(a) This Agreement shall become effective on the date (the "Effective Date") on which all of the parties hereto shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered the same to the Lender pursuant to Section 11.1.

(b) The obligations of Borrower intended to survive hereunder shall so survive payment in full of the Notes provide, however, the obligations of the Borrower under Sections 4.7(b), 4.10, 4.12, 4.13, and 4.16 hereof shall survive for ninety (90) days after the payment in full of the Notes after the Final Maturity Date. All representations and warranties made herein, in the certificates, reports, notices, and other documents delivered pursuant to this Agreement shall survive the execution and delivery of this Agreement, the other Credit Documents, and such other agreements and documents, the making of the Loans hereunder, and the execution and delivery of the Notes.

SECTION 11.11 SEVERABILITY. In case any provision in or obligation under this Agreement or the other Credit Documents shall be invalid, illegal or unenforceable, in whole or in part, in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

SECTION 11.12 INDEPENDENCE OF COVENANTS. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or be otherwise within the limitation of, another covenant, shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

SECTION 11.13 CHANGE IN ACCOUNTING PRINCIPLES, FISCAL YEAR OR TAX LAWS. If (i) any preparation of the financial statements referred to in Section 7.7 hereafter occasioned by the promulgation of rules, regulations, pronouncements and opinions by or required by the Financial Accounting Standards Board or the American Institute of Certified Public Accounts (or successors thereto or agencies with similar functions) (other than changes mandated by FASB 106) result in a material change in the method of calculation of financial covenants, standards or terms found in this Agreement, (ii) there is any change in Borrower's fiscal quarter or fiscal year, or (iii) there is a material change in federal tax laws which materially affects any of the Consolidated Companies' ability to comply with the financial covenants, standards or terms found in this Agreement, Borrower and the Lender agree to enter into negotiations in order to amend such provisions so as to equitably reflect such changes with the desired result that the criteria for evaluating any of the Consolidated Companies, financial condition shall be the same after such changes as if such changes had not been made. Unless and until such provisions have been so amended, the provisions of this Agreement shall govern.

SECTION 11.14 HEADINGS DESCRIPTIVE; ENTIRE AGREEMENT. The headings of the several sections and subsections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement. This Agreement, the other Credit Documents, and the agreements and documents required to be delivered pursuant to the terms of this Agreement constitute the entire agreement among the parties hereto and thereto regarding the subject matters hereof and thereof and supersede all prior agreements, representations and understandings related to such subject matters.

SECTION 11.15 TIME IS OF THE ESSENCE. Time is of the essence in interpreting and performing this Agreement and all other Credit Documents.

SECTION 11.16 USURY. It is the intent of the parties hereto not to violate any federal or state law, rule or regulation pertaining either to usury or to the contracting for or charging or collecting of interest, and

Borrower and Lender agree that, should any provision of this Agreement or of the Notes, or any act performed hereunder or thereunder, violate any such law, rule or regulation, then the excess of interest contracted for or charged or collected over the maximum lawful rate of interest shall be applied to the outstanding principal indebtedness due to Lender by Borrower under this Agreement.

SECTION 11.17 CONSTRUCTION. Should any provision of this Agreement require judicial interpretation, the parties hereto agree that the court interpreting or construing the same shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be more strictly construed against the party who itself or through its agents prepared the same, it being agreed that Borrower, Lender, Lender and their respective agents have participated in the preparation hereof.

SIGNATURE PAGE FOLLOW

SIGNATURE PAGE TO REVOLVING LOAN

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the day and year first above written.

BORROWER:

POE & BROWN, INC.

By: J. Hyatt Brown
J. Hyatt Brown,
President & Chief Executive Officer

By: Timothy L. Young
Timothy L. Young,
Treasurer

Address For Notices:

220 South Ridgewood Avenue
Daytona Beach, Florida 23115-2412

Attention: Chief Financial Officer

Telephone No.: 1-800-877-2769

Telecopy No.: 904-239-7252

With a Copy To:
Cobb Cole & Bell
150 Magnolia Avenue
Post Office Box 2491
Daytona Beach, FL 32115-2491
Attention: Jonathan D. Kabey, Jr.
Telephone No. 904-255-8171
Telecopy No. 904-258-5068

SUN BANK, NATIONAL ASSOCIATION,
Individually and as Lender

Address for Notices:

200 South Orange Avenue
6th Floor, SOAB
Post Office Box 3833
Orlando, Florida 32897

By: C. J. Aguilar
C. J. Aguilar,
First Vice President

Attention: C.J. Aguilar,
First Vice President

Telephone No.: (407) 237-5298

Telecopy No.: (407) 237-5398

EXHIBIT 10(a)(4)

LEASE AGREEMENT

LANDMARK CENTRE
TAMPA, FLORIDA

BETWEEN

SOUTHEAST FINANCIAL CENTER ASSOCIATES
AS LANDLORD

AND

POE & BROWN, INC.
AS TENANT

TABLE OF CONTENTS
FOR LANDMARK CENTRE

LEASE AGREEMENT
FOR OFFICE FACILITIES

THIS LEASE, made as of February __, 1995, by and between SOUTHEAST FINANCIAL CENTER ASSOCIATES, a Florida general partnership (herein called "Landlord"), whose address is c/o Faison, 401 East Jackson Street, Suite 2300, Tampa, Florida 33602, and POE & BROWN, INC., a Florida corporation (herein called "Tenant") whose address is 702 North Franklin Street, Tampa, Florida 33602.

W I T N E S S E T H:

1. PREMISES: Landlord hereby leases to Tenant and Tenant hereby rents and leases from Landlord the following described space, herein called "Premises". The following words and phrases shall have the meanings set forth below:

Tenant's Rentable Area: 67,519 rentable square feet, which includes Tenant's share of common area facilities determined in accordance with the method described on Schedule 1 of Exhibit "D" attached hereto, which method shall also be used to determine Total Building Rentable Area.

Floor: part of 14, and all of floors 15, 16, & 17 Suite: 1700 located at: 401 East Jackson Street, Tampa, Florida 33602.

Building: That certain building now known as "Landmark Centre", and the parking facilities located in the building (each of which is located on the "Property" [as herein defined]).

Property: The Building, and the real property surrounding and adjacent to the Building located in Hillsborough County, Florida, as more particularly described on Exhibit "A" attached hereto and made a part hereof.

Total Building Rentable Area: 525,000 square feet, which includes the common area facilities of the Building. Landlord warrants that this figure was calculated in accordance with Schedule 1 of Exhibit "D" attached hereto. If Total Building Rentable Area as stated in any lease of space in the Building exceeds 535,000 rentable square feet and such stated Total Building Rentable Area is not due to a calculation error or clarical error, Total Building Rentable Area for this Lease shall be adjusted to such higher Total Building Rentable Area.

The Premises are more particularly shown and outlined on the general floor plan location drawing, attached hereto as Exhibit "B" and made a part hereof, and the actual floor plans for the interior of the Premises shall be attached hereto as Exhibit "C", upon final approval thereof in accordance with Exhibit "D" of this Lease. Subject to other provisions of this Lease, the Premises shall include the appurtenant right to the use, in common with others, of lobbies, entrances, stairs, corridors, elevators and other public portions of the Building and Property. All the windows and outside walls of the Premises, and any space in the Premises used for shafts, pipes, conduits, ducts, electric or other utilities, sinks or other Building facilities, and the use thereof and access thereto through the Premises are reserved to Landlord. No easement for light, air or view is granted or implied hereunder, and the reduction or elimination of Tenant's light, air or view will not affect Tenant's liability under this Lease.

2. TERM:

A. Landlord shall construct or install in the Premises the improvements (the "Tenant Improvements") to be constructed or installed by Landlord pursuant to the provisions of Exhibit "D"

attached hereto and made a part hereof, which improvements shall be deemed part of the Premises and owned by Landlord. The term of this Lease (herein called "Lease Term") shall commence on the "Commencement Date" which shall be the latest of (i) May 15, 1995, (ii) the "Date of Substantial Completion", as hereinafter defined, or (iii) the day after the expiration of the "Tenant Work Period", as hereinafter defined. The "Date of Substantial Completion" shall be the date on which the Tenant Improvements are substantially complete, unless substantial completion of the Tenant Improvements is delayed for any of the reasons set forth in Paragraph 4.03 of Exhibit "D" (a "Tenant Delay"), in which event the Date of Substantial Completion shall be the date on which the Tenant Improvements would have been substantially complete if not for such Tenant Delay. Landlord shall allow Tenant access to the Premises for the purposes of performing Tenant's Work and moving Tenant's personal property into the Premises for not less than the Tenant Work Period, during which Tenant Work Period Tenant shall not be obligated to pay Rent. The "Tenant Work Period" shall be: twenty-one (21) days for the portion of the Premises located on the fifteenth (15th) and sixteenth (16th) floors of the Building, fourteen (14) days for the portion of the Premises located on the seventeenth (17th) floor of the Building, and seven (7) days for the portion of the Premises located on the fourteenth (14th) floor of the Building, (any portion of which may, at Landlord's discretion, be before, after, or both before and after, substantial completion of the Tenant Improvements); provided, however, that Landlord shall use reasonable diligence to schedule all of the Tenant Work Period before the Occupancy Date, as hereinafter defined. Notwithstanding the foregoing, if Landlord shall be delayed in substantially completing the Tenant Improvements due to a Tenant Delay, the Tenant Work Period for each floor shall be reduced by one day (or portion thereof) for each day (or portion thereof) of Tenant Delay. Tenant shall have the right to occupy and operate its business in any portion of the Premises in which the Tenant Improvements are substantially complete during the period, if any, from the date on which the Tenant Improvements are substantially complete until the Commencement Date, during which period Tenant shall not be obligated to pay Rent. Unless sooner terminated as herein provided, the Lease Term shall expire on the day before the tenth (10th) anniversary of the Commencement Date (the "Expiration Date").

B. Tenant shall deliver to Landlord thirteen (13) sets of final permittable working drawings for the construction of the Tenant Improvements on or before February 6, 1995. Provided Tenant has delivered said final permittable working drawings to Landlord no later than February 6, 1995, Landlord shall cause the Tenant Improvements to be substantially complete on or before "Occupancy Date", as hereinafter defined. The "Occupancy Date" shall be May 14, 1995; provided, however, if Landlord shall be delayed in substantially completing the Tenant Improvements due to a Tenant Delay, the Occupancy Date shall be extended by one day (or portion thereof) for each day (or portion thereof) of Tenant Delay. For purposes of any construction performed under this Lease, "substantial completion" or "substantially complete" shall mean completion of construction in substantial accordance with the Tenant Improvement Plans and Specifications (excepting only such punchlist items as will not materially adversely affect Tenant's occupancy and use of the Premises for their intended purpose), as evidenced by the Tenant Improvement Architect's written certification of substantial completion to Tenant, and the final, unconditional certificate of occupancy issued by the City of Tampa. Landlord will be responsible for (i) any delay in substantial completion of construction of the Tenant Improvements beyond the Occupancy Date, and (ii) Landlord's failure to provide to Tenant access to the Premises for Tenant's Work during the entire Tenant Work Period on or before the Occupancy Date, caused by any cause (including force majeure) other than Tenant Delay; and Landlord's liability for such delay or failure shall include, without limitation, any holdover rent (including penalties or consequential damages) and swing space rent in excess of Lease rent, and all costs resulting from relocation to swing space reasonably incurred by Tenant because of such delay or failure, all as mitigated

through Tenant's efforts (as hereinbelow provided) to mitigate its damages resulting from delayed completion of the Premises or Landlord's failure to provide access to the Premises to Tenant during the entire Tenant Work Period on or before the Occupancy Date. Tenant shall use reasonable efforts to mitigate its damages resulting from delayed completion of the Premises, and Tenant shall use all diligent efforts (including but not limited to increased expenditures by Tenant of up to $15,000.00) to mitigate its damages resulting from Landlord's failure to provide access to the Premises to Tenant during the entire Tenant Work Period on or before the Occupancy Date. Landlord shall reimburse Tenant for any reasonable costs incurred in effecting such mitigation of damages due to delay (other than Tenant Delay) in completion of construction of the Tenant Improvements within forty-five (45) days after invoice, or Tenant may deduct such costs from Monthly Payment.

C. If Landlord, for any reason whatsoever (including force majeure), cannot deliver to Tenant possession of the Premises (with the Tenant Improvements substantially complete) on or before the Occupancy Date, this Lease shall not be void or voidable, but in that event, provided the delay is not due to a Tenant Delay, no Monthly Payment (as that term is hereinafter defined) shall be due until the Commencement Date. Notwithstanding the foregoing, if for any reason (including force majeure) other than Tenant Delay, Landlord does not cause the Tenant Improvements to be substantially complete on or before the date which is seventy-eight (78) days after the Occupancy Date, Tenant may, by written notice to Landlord on or before the date which is eighty- one (81) days after the Occupancy Date, terminate this Lease, in which event, in addition to its liability under Section 2.B. above, Landlord shall be responsible for all damages (including without limitation, consequential damages) incurred by Tenant as a result of Landlord's failure to cause the Tenant Improvements to be substantially complete by that date.

D. On or before the date on which the Premises are ready for occupancy by Tenant, Landlord shall furnish to Tenant a Commencement Date Agreement in the form attached hereto as Exhibit "E" and made a part hereof, said Agreement setting forth the specific Commencement Date and the Expiration Date for this Lease as hereinabove determined. Tenant shall execute the "Acknowledgment by Tenant" attached to the Commencement Date Agreement and promptly return a signed copy thereof to Landlord. No failure or delay on the part of Tenant to so execute or deliver the Acknowledgement by Tenant shall delay or otherwise modify the Commencement Date. Tenant shall not be entitled to occupancy or possession of the Premises until Tenant has executed and delivered to Landlord said Acknowledgement, except as expressly permitted in Section 2.A. above.

E. As of the Commencement Date, Tenant takes and accepts from Landlord the Premises upon the terms and conditions herein contained, in its then condition, such condition being suited for the uses intended by Tenant, subject to punchlist items and construction warranties. Landlord shall assign to Tenant, as of the Commencement Date, all construction warranties Landlord receives relating to the Tenant Improvements, and no provision of this Lease shall be construed to diminish any rights of Tenant (under such assigned construction warranties or otherwise) against the Tenant Improvement Contractor or any other contractor with respect to the Tenant Improvements. Landlord agrees to cooperate with Tenant's efforts to enforce any rights under the Construction Contract benefitting Landlord or Tenant, including but not limited to construction warranties. This Lease shall be effective and enforceable between the parties hereto upon its execution and delivery, regardless of whether such execution and delivery occurs on, prior to or after the Commencement Date.

3. BASE RENT:

A. Tenant covenants to pay to Landlord, without deduction, offset or counterclaim (except as expressly provided

herein), as "Monthly Payment" for the Premises, payable in advance and without notice or demand in monthly installments, commencing on the Commencement Date and continuing on the first day of each and every calendar month thereafter during the Lease Term, the Monthly Payment in the amounts set forth as follows:

MONTH OF LEASE TERM	MONTHLY PAYMENT
1-7	$0.00
8	$17,588.64
9-36	$39,386.08
37-48	90,025.33
49-60	95,651.92
61-72	101,278.50
73-84	106,905.08
85-96	112,531.67
97-108	118,158.25
109-120	123,784.83

Rent for the Premises will accrue during the Lease Term (120 months) at $75,458.93 per month ("Base Rent"). Interest based on an 8.70 percent annual rate, compounded semi-annually, will be charged on Base Rent attributable to a month that is paid later pursuant to the payment schedule attached hereto as Schedule 1 ("Interest"). Except as otherwise provided in this Lease, total Base Rent and Interest payments under this provision will not exceed $10,100,426.00, comprised of $9,055,071.68 in Base Rent and $1,045,354.32 in Interest. Attached hereto as Schedule 1 is a payment schedule listing the amount of Base Rent and Interest due and payable during each month of the Lease Term, which together constitute the "Monthly Payment". Each installment of Monthly Payment will first be of accrued Interest on deferred and unpaid Base Rent, second, on Base Rent for the month of the payment, and third, the earliest deferred and unpaid Base Rent.

If the Commencement Date falls on a day other than the first day of a calendar month or if the Lease Term ends on a day other than the last day of a calendar month, then the Monthly Payment for the fractional month shall be appropriately prorated, based on the actual number of days in the partial month, and the Base Rent and Interest Payment Schedule set forth in Schedule 1 shall be revised, if necessary. The above-stated amounts of Monthly Payment were calculated based upon the Premises containing 67,519 rentable square feet; if the size of the Premises changes, the Monthly Payment, Base Rent and Interest shall be adjusted accordingly, based upon the rentable area of the Premises. All payments of Interest and "Rent" (which term shall include Base Rent, Additional Rent as described in Section 5 hereof and elsewhere and any additional amounts or charges due of Tenant hereunder) shall be paid to Landlord, without deduction, offset or counterclaim, in lawful money of the United States of America at c/o Faison, 401 East Jackson Street, Suite 2300, Tampa, Florida, 33602, or to such other person or at such other place as Landlord may from time to time designate in writing. Except as expressly provided herein, Tenant's covenant to pay Rent and Interest under this Lease is an independent covenant.

B. Tenant agrees to pay to Landlord, with each payment of Rent due hereunder, the Florida Sales (or other) Tax (if any) due on all Rent (whether Base Rent, Additional Rent, reimbursement of expenses or otherwise) payable hereunder on which such taxes are due or claimed by the pertinent taxing authorities to be due. Until such time that the Florida Department of Revenue requires Landlord to remit sales tax on that portion of the Rent that constitutes a reimbursement by Tenant of the costs incurred by

Landlord in connection with electricity service charges upon which Landlord has paid sales tax, Landlord shall not collect from Tenant sales tax on such portion of the Rent; Tenant shall indemnify, defend and hold Landlord harmless from and against any claim, fine or penalty made or assessed by the Florida Department of Revenue resulting from Landlord's failure to collect and remit sales tax on such portion of Rent, and Landlord's reasonable costs and expenses (including attorneys' fees) incurred in connection therewith.

C. Tenant's payments of Additional Rent shall not be deemed payments of Base Rent as that term is used or construed relative to governmental wage and price controls or analogous governmental actions affecting the amount of rental which Landlord may charge Tenant. In no event shall any such controls or actions result in reduction of the Base Rent, Interest or Additional Rent. Attached as Schedule 1 to this Lease is a schedule listing each required payment of Base Rent and Interest pursuant to this Paragraph 3 and setting forth the allocation of each such required installment of Monthly Payment to Interest and Base Rent. Landlord and Tenant agree that Schedule 1 is applicable for determining the amount of Base Rent upon which sales tax is required to be collected and for all federal, state, and local income tax reporting purposes. Until such time that the Florida Department of Revenue requires Landlord to remit sales tax on that portion of the Monthly Payment that constitutes Interest, Landlord shall not collect from Tenant sales tax on the portion of the Monthly Payment that constitutes Interest; but at such time that the Florida Department of Revenue requires Landlord to remit sales tax on that portion of the Monthly Payment that constitutes Interest, Tenant shall pay to Landlord, with each installment of Monthly Payment, the Florida Sales (or other) Tax (if any) due on said portion of Monthly Payment that constitutes Interest. In addition, Tenant shall indemnify, defend and hold Landlord harmless from and against any claim, fine or penalty made or assessed by the Florida Department of Revenue resulting from Landlord's failure to collect and remit sales tax on such portion of Monthly Payment that constitutes Interest or resulting from any other tax due or asserted by the Florida Department of Revenue to be due on or with respect to this Lease which would not be due if rent hereunder was not allocated to each year using the constant rental accrual method provided under Section 467 of the Internal Revenue Code, and Landlord's reasonable costs and expenses (including attorneys' fees) incurred in connection therewith.

4. ESCALATION OF BASE RENT: [Intentionally omitted.]

5. REIMBURSEMENT FOR INCREASES IN OPERATING EXPENSES AND TAXES:

A. The Base Rent provided for herein is based, in part, upon Landlord's estimate of "Operating Costs," as hereinafter defined, of repairing, maintaining, owning and operating the Building and Property during each calendar year of the Lease Term.

The "Base Operating Costs" are stipulated to be the actual Operating Costs incurred during calendar year 1995, adjusted as hereinafter set forth. For purposes of determining the Base Operating Costs, the Operating Costs shall be adjusted to the levels expected as if the Building was 95% occupied.

B. The term "Operating Costs" shall mean all operating expenses of the Property and the Building, which shall be computed on an accrual basis and which shall include all expenses, costs, and disbursements of every kind and nature, which Landlord (i) shall pay, (ii) become obligated to pay, and/or (iii) would otherwise pay or be obligated to pay (except for specific third party contractual agreements alleviating Landlord from any such expense burdens in consideration of other non-cash consideration made by or on behalf of Landlord) because of or in connection with the management or operation of the Building or the Property, including, but not limited to, the following:

(i) Wages and salaries of all employees engaged in the operation and maintenance of the Property and the

Building, including, but not limited to, taxes, insurance and benefits relating thereto;

(ii) All supplies and materials used in the operation and maintenance of the Property and the Building;

(iii) Cost of water, sewer, power, heating, lighting, air conditioning, ventilating, and other utilities furnished in connection with the operation of the Building and the Property;

(iv) Cost of all service agreements and maintenance for the Property and the Building and the equipment therein, including, but not limited to, trash removal, security services, alarm services, window cleaning, janitorial service, HVAC maintenance, elevator maintenance, exterminating, and grounds maintenance;

(v) Cost of all insurance relating to the Property and the Building including, but not limited to, the cost of casualty and liability insurance applicable to the Property and the Building and Landlord's personal property used in connection therewith;

(vi) All taxes (ad valorem and otherwise), assessments, and governmental charges whether federal, state, county, or municipal and whether by taxing districts or authorities presently taxing the Property and the Building or by others, subsequently created or otherwise, and any other taxes (other than federal and state income taxes) and assessments attributable to the Property and the Building or its operation and any consultants' fees incurred with respect to issues or concerns involving the taxes on the Property and the Building;

(vii) Cost of repairs and general maintenance of the interior and exterior of the Property and the Building, (but excluding all capital improvements, replacements, equipment or tools other than landscaping, the replacement of broken glass, and replacement of floor and wall coverings in common areas of the Building, the cost of any of which shall be amortized on a straight line basis over its reasonably estimated actual useful life);

(viii) The management fee incurred by Landlord for general operation and management of the Property and the Building, provided, however, that in no event shall the management fee component of Tenant's Share of Operating Expenses exceed three and one quarter percent (3 1/4%) of Tenant's aggregate Monthly Payment for the pertinent year, except that for purposes of this Section 5.B.(viii), the aggregate Monthly Payment for each of the first three years of the Lease Term shall be calculated at the rate of $15.40 per rentable square foot per year.

(ix) An amortization cost due to any capital expenditures incurred to reduce or limit operating expenses of the Property or the Building, or both; any such expenditures to be amortized over the reasonably estimated useful life of the capital item, but included in Operating Costs only to the extent of actual reductions or limitations of operating expenses achieved as a result of such capital expenditures on a cumulative basis in the pertinent calendar year or subsequent years;

(x) Expenses incurred in connection with the operation of the Building or the Property which may be required by Landlord's insurance carrier or governmental authority;

(xi) An amortization cost due to any capital expenditures incurred to provide electronic security for the Building or the Property;

(xii) All fees and costs associated with administrative services, including, without limitation, legal, consulting and accounting services fees and costs;

Notwithstanding the foregoing, expressly excluded from the definition of the term "Operating Costs" are:

(1) Payments of principal, interest, or other finance charges made on any debt, or the amortization of funds borrowed by Landlord.

(2) Ground rent or other rental payments made under any ground lease or underlying lease.

(3) Costs of structural repairs to the Building including structural repairs to the roof, curtain wall, foundation, floor slabs (except for normal caulking and maintenance).

(4) Costs of leasing commissions, legal, space planning, construction, and other expenses incurred in procuring tenants for the Building or with respect to individual tenants or occupants of the Building.

(5) Costs of painting, redecorating, or other services or work performed for the benefit of another tenant or occupant (other than for Common Areas).

(6) Salaries, wages, or other compensation paid to officers or executives of Landlord, unless such executive or officer is directly involved in the day-to-day operation or management of the Building, in which event an equitable portion of such salary, wages or other compensation shall be included in Operating Costs based on the percentage of such officer's or executive's total working hours dedicated to the operation and management of the Building.

(7) Salaries, wages, or other compensation or benefits paid to offsite employees or other employees of Landlord who are not assigned full-time to the operation, management, maintenance, or repair of the Building; provided however, Operating Costs shall include Landlord's reasonable allocation of compensation paid or the wages, salary, or other compensation or benefits paid to the individual Building manager, if offsite, who is assigned part-time to the operation, management, maintenance, or repair of the Building.

(8) Costs of advertising and public relations and promotional costs associated with the promotion or leasing of the Building and costs of signs in or on the Building identifying the owners of the Building or any tenant of the Building.

(9) Utilities and other similar expenses incurred directly by or on behalf of retail tenants in the Building.

(10) Operating or maintenance costs for any parking garage servicing the Building.

(11) Any costs, fines or penalties incurred due to the violation by Landlord of any governmental rule or authority. The foregoing is not intended to exclude from Operating Costs incurred in complying with such rule or authority if otherwise includable in Operating Costs.

(12) Any other expense for which Landlord actually receives reimbursement from insurance, condemnation awards, other tenants or any other source.

(13) Costs of repairs, restoration, replacements or other work occasioned by (A) fire, windstorm or other casualty (whether such destruction be total or partial) and (B) the exercise by governmental authorities of the right of eminent domain (whether such taking be total or partial). Notwithstanding the foregoing, deductible amounts permitted in the Lease shall be included in Operating Costs.

(14) Costs incurred in connection with disputes with tenants, other occupants, or prospective tenants, or costs and expenses incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building.

(15) Allowances, concessions, permits, licenses, inspections, and other costs and expenses incurred in completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating space for tenants (including Tenant), prospective tenants or other occupants or prospective occupants of the Building, or vacant leasable space in the Building, or constructing or finishing demising walls and public corridors with respect to any such space.

(16) Costs incurred in connection with the original construction of the Building or in connection with any change in the Building.

(17) Costs of repairing, replacing or otherwise correcting defects (including latent defects) in or inadequacies of (but not the cost of ordinary and customary repair for normal wear and tear) the initial design or construction of the Building or the costs of repairing, replacing or correcting defects in the initial design or construction for any tenant improvements, but only to the extent that the cost of any incident of common repair, replacement or correction exceeds $5,000 in any consecutive twelve month period. All repairs, replacements or corrections in any consecutive twelve month period intended to address the same, related or substantially similar defects or inadequacies shall be deemed to comprise a single incident of common repair, replacement or correction. For example, reglazing multiple Building windows to correct leaks resulting from defects in window installation shall constitute a common repair, subject to the $5,000 annual minimum.

(18) Costs relating to another tenant's or occupant's space which (A) were incurred in rendering any service or benefit to such tenant that Landlord was not required, or were for a service in excess of the service that the Landlord was required, to provide Tenant hereunder, or (B) were otherwise in excess of the Building standard services then being provided by Landlord to all tenants or other occupants in the Building, whether or not such other tenant or occupant is actually charged therefor by Landlord.

(19) Costs incurred in connection with the sale, financing, refinancing, mortgaging, selling or change of ownership of the Building.

(20) Costs, fines, interest, penalties, legal fees or costs of litigation incurred due to the late payments of taxes, utility bills and other costs incurred by Landlord's failure to make such payments when due.

(21) Costs incurred by Landlord which are associated with the operation of the business of the legal entity which constitutes Landlord as the same is separate and apart from the cost of the operation of the Building, including legal entity formation and legal entity accounting (including the incremental accounting fees relating to the operation of the Building to the extent incurred separately in reporting operating results to the Building's owners or lenders).

(22) Costs of a capital nature or which would be capitalized under generally accepted accounting principles, including, without limitation, capital improvements or replacements, capital equipment and capital tools, all as determined in accordance with generally accepted accounting principles, except as otherwise provided in the Lease.

(23) General overhead and general administrative expenses. Accounting, record-keeping and clerical support of Landlord or the management agent, not specifically relating to the operation of the Building.

(24) Any compensation paid to clerks, attendants or other persons in commercial concessions operated for profit by Landlord or in the parking garage of the Building.

(25) Rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except equipment not affixed to the Building which is used in providing janitorial or similar services.

(26) The rent or rental-related expenses (such as expense reimbursements similar to the additional rent Tenant pays for Operating Costs and Real Estate Taxes) for Landlord's on-site management or leasing office or other employee office space or for any space in the Building set aside for storage facilities, or other facilities provided for the benefit of tenants.

(27) All amounts which would otherwise be included in Operating Costs which are paid to any affiliate or subsidiary of Landlord, or any representative, employee or agent of same to the extent the costs of such services exceed the competitive rates for similar services of comparable quality rendered by persons or entities of similar skill, competence and experience.

(28) Fees for management of the Building in excess of the management fees provided for in this Lease.

(29) Costs or expenses of utilities directly metered to tenants of the Building and payable separately by such tenants.

(30) Increased insurance premiums caused by Landlord's or any other tenant's hazardous acts and insurance on leasehold improvements in the premises leased or to be leased to other tenants.

(31) Moving expense costs of tenants of the Building.

(32) Costs incurred to correct violations by Landlord of any law, rule, order or regulation which was in effect as of the date that the Building's Certificate of Occupancy was validly issued.

(33) Costs arising from the presence of hazardous materials or substances in or about or below the land or the Building, including without limitation, hazardous substances in the groundwater or soil.

(34) Costs incurred for any items to the extent covered by a manufacturer's, materialmen's, vendor or contractor's warranty (a "Warranty").

(35) Non-cash items, such as deductions for depreciation and amortization of the Building and the Building equipment, interest on capital invested, bad debt losses, rent losses and reserved for such losses.

(36) Electric power costs for which any tenant directly contracts with the local public service company.

(37) Services provided and costs incurred in connection with the operation of retail or other ancillary operations owned, operated or subsidized by Landlord.

(38) Consulting costs and expenses paid by Landlord unless they relate exclusively to the improved management or operation of the Building.

(39) Vault rental or other vault charges, except for the rental of one lock box.

(40) Costs, other than those incurred in ordinary maintenance (for such objects as may be located within the Common Area) for sculpture, paintings or other objects of art.

(41) Costs of any Building services differing in kind from the services the Landlord has covenanted to provide under this Lease, without Tenant's prior written consent.

(42) Costs of overtime HVAC service whether provided to the Tenant or any other tenant of the Building.

(43) Expenses incurred in effecting compliance with requirements of Americans with Disabilities Act or any other law in existence as of the date hereof, except as provided in this Lease.

(44) Legal fees (except for contesting tax assessments) or other professional or consulting fees (except such other legal, professional or consulting fees that are directly related to the maintenance, operation or management of the Building).

(45) Repairs which are necessitated by the gross negligence of Landlord, its agents or employees.

(46) Any other expense or cost which under generally accepted accounting principles ("GAAP"), would not be considered a normal maintenance or operating expense of an office building, except for the cost of landscaping, replacement of broken glass, and the replacement of floor and wall coverings in common areas of the Building, the cost of which shall be amortized on a straight line basis over its reasonably estimated actual useful life.

C. The term "Tenant's Share" shall mean the proportion that Tenant's Rentable Area bears to the Total Building Rentable Area in the Building. Notwithstanding anything to the contrary contained herein, in the event the Building is not ninety- five percent (95%) occupied during any calendar year (including 1995), appropriate adjustments shall be made to those components of Operating Costs which vary with Building occupancy, to determine Operating Costs as though the Building had been ninety-five percent (95%) occupied in such calendar year, but in no event shall Tenant ever be required to pay more than Tenant's Share of Operating Costs. The percentage of Building occupancy during any calendar year shall be determined by adding together the total leased space on the last day of each month during any calendar year and dividing by twelve (12).

D. On or about January 1 of each calendar year after 1995 (or as soon thereafter as practical), Landlord shall provide Tenant with a comparison of the Base Operating Costs and the projected Operating Costs ("Estimated Operating Costs") for such current calendar year. Estimated Operating Costs for any year shall not exceed one hundred and four percent (104%) of the preceding year's actual Operating Costs, except that such Estimated Operating Costs may exceed such cap where (i) there is a permitted increase in level of services provided by Landlord, or (ii) an

anticipated increase in insurance or utilities rates is reasonably expected to result in actual Operating Costs for the proceeding year in excess of such cap. Tenant shall thereafter pay, as "Additional Rent", Tenant's Share of any projected excess of Estimated Operating Costs for such year over the Base Operating Costs. Said amount shall be payable in advance on a monthly basis by way of paying 1/12th of such projected excess during each month of such respective calendar year. Until Landlord has furnished Tenant such comparison, Tenant shall continue to pay on the basis of the prior year's estimate until the month after such comparison is given at which time Tenant shall adjust its monthly installments of Estimated Operating Costs to compensate for any deficiency in amounts of Estimated Operating Costs previously paid by Tenant for that year. Landlord shall, within a period of one hundred twenty (120) days (or as soon thereafter as practical) after the close of calendar year 1995 provide to Tenant an audited statement of Base Operating Costs. Landlord shall, within a period of one hundred twenty (120) days (or as soon thereafter as practical) after the close of each such respective calendar year following 1995 provide Tenant an unaudited statement of such year's actual Operating Costs ("Actual Operating Costs") compared to the Base Operating Costs (such Actual Operating Costs and Base Operating Costs both being adjusted to reflect Operating Costs as though the Building had been ninety-five percent (95%) occupied in the pertinent calendar year, as provided in Section 5.C. above). If the Actual Operating Costs are greater than the Estimated Operating Costs, Tenant shall pay to Landlord, within thirty (30) days of Tenant's receipt of such statement, Tenant's Share of the difference thereof. If such year's Estimated Operating Costs are greater than the Actual Operating Costs, Landlord shall pay to Tenant, simultaneously with the issuance of such statement, Tenant's Share of the difference between the Estimated Operating Costs and the Actual Operating Costs, and in the event of Landlord's failure to pay such amount, Tenant's sole remedy shall be to set off such amount due to Tenant against Monthly Payment or any other amount due from Tenant under this Lease.

E. Notwithstanding any other provision hereof, for purposes of calculating Tenant's Share of Operating Costs, the total of all components of Operating Costs other than real estate taxes, insurance and utilities ("Controllable Expenses") for any year (the "Subject Year") shall not exceed the lesser of (i) one hundred seven percent (107%) of Controllable Expenses for the preceding year, or (ii) the amount equal to Controllable Expenses for calendar year 1995 increased by four percent (4%) per annum, compounded annually, from 1995 through the Subject Year; but such limitation shall not apply to increases in Controllable Expenses to the extent such increases occur because Landlord provides a higher level or quality of services than was previously provided by Landlord. Notwithstanding the foregoing, Operating Costs shall not include the cost of providing a higher level or quality of services than provided at comparable downtown office towers. Landlord shall operate the Building with a level of services comparable to other Class A office towers in downtown Tampa, and the Base Operating Costs includes the cost of such level of services.

F. Within one hundred twenty (120) days after its receipt of the operating statement for any calendar year, Tenant shall notify Landlord in writing of its intent to exercise its right hereunder to review Landlord's records of Operating Costs for either or both of the preceding two calendar years. If Tenant so notifies Landlord of Tenant's intent to exercise such right within said one hundred twenty (120) day period, Tenant shall have the right within one hundred twenty (120) days after the date of such written notice by Tenant to review during normal business hours Landlord's records of Operating Costs for either or both of the preceding two calendar years, at Tenant's sole cost and expense. In connection with such review, Landlord shall make Landlord's records of Operating Costs for the preceding two calendar years available to Tenant, at Landlord's or its management company's office in the Building, for Tenant (at Tenant's sole cost and expense) to copy. Landlord shall not be obligated to provide space

in Landlord's or its management company's office for Tenant to conduct such review of Landlord's record of Operating Costs. Tenant may engage a firm experienced and reputable in performing lease audits to assist Tenant in this review (excluding Trammel Crow Company, Cushman & Wakefield, CB Commercial, The Hogan Group, and any other competitors of Landlord or Faison, unless such exclusion would deprive Tenant of the assistance of all experienced and reputable firms). Tenant and such firm shall agree in writing to keep all information disclosed by Landlord in connection with such an audit strictly confidential (except as disclosed to employees, agents and contractors of Tenant in connection with such audit, all of which employees, agents and contractors shall have agreed in writing with Landlord to keep such information strictly confidential). Tenant covenants to keep strictly confidential, and to cause Tenant's agents to keep strictly confidential, all information obtained in any such review of Landlord's records. Unless Tenant (i) timely exercises its right to examine Landlord's calculations of Operating Costs, and (ii) timely gives written notice to Landlord stating in detail reasonable objections to such Operating Costs and the Additional Rent calculations (as hereinabove provided), Tenant shall be deemed to have given approval of such calculations; notwithstanding the foregoing, each year Tenant shall have the right, as hereinabove provided, to review and object to either or both of the two calendar years preceding such calendar year. Failure to pay such Additional Rent, whether or not under protest, within thirty (30) days after Tenant's receipt of said operating statement shall constitute a default by Tenant hereunder. If Tenant does make objections to Landlord's calculations, Tenant shall continue to pay the Additional Rent stated by Landlord as due until such objections are resolved, but Tenant shall not have waived any of its rights to protest such calculations of Landlord by making such payments of Additional Rent. Notwithstanding any other provision of this Lease, Landlord shall be estopped from amending, and hereby waives the right to amend, any operating statement not amended by Landlord within two (2) years after the date of delivery to Tenant, nor shall Landlord have the right through any other procedures or mechanism to collect any Operating Cost not included on the pertinent operating statement after the second anniversary of the date of delivery of said statement to Tenant, unless before said second anniversary Landlord has revised said operating statement and made a written demand for payment of said Operating Cost, or unless said Operating Cost is the subject of an ongoing protest or dispute of which Landlord has notified Tenant.

G. For any calendar year after 1995, if Operating Costs for such year, adjusted to the levels expected as if the Building was 95% occupied during said calendar year, is less than the level of Base Operating Costs, as adjusted to the levels expected as if the Building was 95% occupied during calendar year 1995, Monthly Payment for that calendar year as set forth in Section 3 herein shall be reduced to reflect such decrease in Operating Costs below the level of Base Operating Costs, as adjusted to the levels expected as if the Building was 95% occupied, during calendar year 1995 (the "Monthly Payment Reduction"). In such event, Landlord shall refund to Tenant the Monthly Payment Reduction simultaneously with the delivery of the operating statement pertaining to that calendar year. The Monthly Payment Reduction for any year shall not affect the calculation of any amount due from Tenant under Sections 10, 47 or 48 of this Lease.

H. Should this Lease commence at any time other than the first day of a calendar year or terminate at any time other than the last day of a calendar year the amount of Additional Rent due from Tenant shall be proportionately adjusted based on that portion of the year that this Lease was in effect. Upon the expiration or other termination of the Lease other than on the last day of the calendar month, an amount equal to the Monthly Payment paid by Tenant for the calendar month in which the termination occurs, multiplied by a fraction, the numerator of which is the number of days in the month after the date of termination, and the denominator of which is the total number of days in that month,

shall be refunded to Tenant within forty-five (45) days thereafter (or credited against any amount then due from Tenant to Landlord).

I. The provisions of this Section 5 shall not apply to any "extra services" provided by Landlord to Tenant during the Lease Term such as extra electrical consumption occasioned by Tenant's use of the Premises in a manner not anticipated by Landlord. The cost of such extra services shall be paid for entirely by Tenant, and the basis on which payment shall be made will be handled on a case by case basis.

6. USE: Tenant shall use and occupy the Premises for office purposes only, and for no other purpose, without the prior written consent of Landlord. Tenant's use of the Premises shall not violate any ordinance, law or regulation of any governmental body or the "Rules and Regulations" of Landlord as set forth in Exhibit "F" attached hereto and made a part hereof (as further described in Section 28 herein), and any changes thereto.

7. TENANT'S CARE:

A. Tenant will take good care of and maintain the Premises and the fixtures and appurtenances therein (subject to normal wear and tear), and will neither commit nor suffer any active or permissive waste or injury thereof. Tenant's responsibilities in conjunction therewith shall include, but not be limited to, the shampooing of the carpeting located in the Premises, as needed, as well as the regular painting and decorating of the Premises so as to maintain the Premises in a first-class condition, normal wear and tear excepted. All such repair work, maintenance permitted by Landlord shall be done at Tenant's expense by Landlord's employees or, with Landlord's express written consent, by persons requested by Tenant and consented to in writing by Landlord. Tenant shall, at Tenant's expense, but under the direction of Landlord and performed by Landlord's employees, or with Landlord's express written consent, by persons requested by Tenant and consented to in writing by Landlord, promptly repair any injury or damage to the Premises, the Building or the Property caused by the misuse or neglect thereof by Tenant, or by persons permitted or invited (whether by express or implied invitation) on the Premises by Tenant, or by Tenant moving in or out of the Premises, except as otherwise expressly provided in Sections 9, 15, and 16 of this Lease.

B. Tenant will not, without Landlord's prior written consent, make alterations, additions or improvements in or about the Premises, except for the inclusion or placement of decorative items and moveable furniture, and will not do anything to or on the Premises which will increase the rate of fire insurance on the Building or on the Property. All alterations, additions or improvements of a permanent nature made or installed by Tenant to the Premises shall become the property of Landlord at the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord reserves the right to require Tenant to remove any improvements or additions made to the Premises by Tenant (other than the initial Tenant Improvements) and to repair and restore the Premises to their condition prior to such alteration, addition or improvement, reasonable wear and tear excepted, unless Landlord has agreed in writing that such item need not be removed by Tenant at the expiration or earlier termination of this Lease. Landlord agrees to advise Tenant in writing simultaneously with Landlord's response to Tenant's request for approval of a proposed alteration, addition or improvement, whether or not Landlord will require any such improvement, addition or alteration made to the Premises to be removed and the Premises to be restored at the expiration or earlier termination of this Lease. If so required by Landlord, Tenant further agrees to so remove such improvements and additions and make such restoration and repair prior to the expiration of the Lease Term. Any alterations, additions or improvements made by Tenant in or about the Premises shall: (i) equal or exceed the then-current standard for the Building and utilize only new and first-grade materials; (ii) be in conformity

with all applicable governmental and quasi-governmental laws, ordinances, regulations and requirements, and be made after obtaining any required permits and licenses; (iii) be made pursuant to plans and specifications consented to in writing by Landlord; (iv) be carried out only by a contractor consented to in writing by Landlord, who, if required by Landlord, shall deliver to Landlord before commencement of their work, proof of such insurance coverage as Landlord may reasonably require, with Landlord named as an additional insured; and, (v) in connection with any alterations, additions or improvements made by Tenant in or about the Premises the cost of which exceeds $100,000.00 other than the initial build-out of the Premises, be made only after Tenant has provided to Landlord such indemnification and/or bonds, in such form and amount as may be required by Landlord, in Landlord's reasonable discretion, on a case by case basis, to protect against claims and liens for labor performed and materials furnished. Any such change, addition or improvement shall be done only at such times and in such manner as Landlord may reasonably specify. Tenant shall promptly pay the entire cost of any change, addition or improvement to the Premises, including reasonable fees for dumpster and elevator usage. Tenant shall indemnify, defend and hold harmless Landlord from and against all liens, claims, liabilities and expenses, including attorneys' fees, which may arise out of or be connected in any way with any such change, addition or improvement. Any increase in property taxes on or insurance cost for the Building attributable to such change, addition or improvement shall be borne by Tenant and shall be paid by Tenant to Landlord within thirty (30) days after receipt by Tenant of Landlord's invoice(s) therefor.

C. No later than the last day of the Lease Term, Tenant will remove all Tenant's personal property and repair all injury done by or in connection with installation or removal of said property and surrender the Premises (together with all keys or other means of access to the Premises, the Building or the Property) in as good a condition as they were at the beginning of the Lease Term, reasonable wear and tear and damage from casualty excepted. All property of Tenant remaining on the Premises after expiration of the Lease Term shall be conclusively deemed abandoned and may be removed by Landlord, and Tenant shall reimburse Landlord for the cost of removing the same, subject however, to Landlord's right to require Tenant to remove any improvements or additions made to the Premises by Tenant pursuant to the preceding Section 7.B.

D. In doing any work related to the installation of Tenant's furnishings, fixtures, or equipment in the Premises, Tenant will use only contractors or workmen consented to by Landlord in writing. Landlord may condition its consent upon its receipt from such contractors or workmen of acceptable (i) lien waivers, and (ii) evidence of liability and personal property insurance coverage (or such other insurance as Landlord may reasonably require) in such amounts and with such insurance carriers reasonably satisfactory to Landlord. Tenant shall within ten (10) days after notice remove any lien for material or labor claimed against the Premises, the Building or the Property by such contractors or workmen if such claim should arise, and hereby agrees to indemnify and hold Landlord harmless from and against any and all costs, expenses or liabilities reasonably incurred by Landlord as a result of such liens.

E. Tenant shall not place or maintain more than three (3) vending machines (food or drink) and a coffee service on each floor within the Premises, nor shall Tenant permit parties other than Tenant's employees, customers and business guests to use said food or drink vending machines. Any food or drink vending machines located within the Premises shall, at Landlord's option, be operated and stocked by Landlord or Landlord's designee, provided that the prices and selection of the beverages and food items dispensed by said machines, and the level of service provided in connection with said machines, is reasonably comparable to that generally provided by operators of vending machines in the downtown

Tampa market. If such operator of the vending machines in the Premises fails to meet the above-described standards, and if Tenant provides to Landlord written notice describing with specificity the failures of said operator to comply with said standards, and if Landlord does not cause such failures to be remedied within thirty (30) days after Landlord's receipt of said notice, Tenant may terminate the right of said operator to operate the vending machines in the Premises and Tenant may thereafter engage the operator of its choice; provided that if said operator of the vending machines in the Premises is terminated as hereinabove provided and Tenant thereafter seeks bids or proposals from other potential vending machine operators for the operation of vending machines in the Premises, Tenant shall include Landlord's new designee also to bid or submit a proposal for the operation of vending machines in the Premises, which bid or proposal shall be given the same consideration and opportunity to be selected as other bids or proposals obtained by Tenant.

F. Tenant agrees that all personal property brought into the Premises by Tenant, its employees, agents, licensees and invitees shall be at the sole risk of Tenant; and Landlord shall not be liable for theft thereof or of money deposited therein or for any damages thereto, such theft or damage being the sole responsibility of Tenant, except to the extent such theft or damage results primarily from Landlord's gross negligence or willful misconduct.

G. Tenant shall not do or permit anything to be done by its employees, agents, licensees or invitees (collectively, "Occupants") which may (i) create a public or private nuisance or interfere with or disturb any other tenant or occupant of the Building or Landlord in its operation of the Building; (ii) overload the floors or otherwise damage the structure of the Building; (iii) constitute an improper or immoral purpose; (iv) violate any applicable law or ordinance; (v) constitute the operation of a court reporter business, a restaurant or a retail use (other than the retail sale of insurance); or (vi) lower the first-class character of the Building. Tenant shall, at its sole cost, keep the Premises free of objectionable noises and odors.

H. Tenant shall not (either with or without negligence) cause or permit the escape, disposal or release of any biologically or chemically active or other hazardous substances or materials in quantities or concentrations violative of pertinent law. Tenant shall not allow the storage or use in the Building, the Premises or on the Property, of such substances or materials in any manner not sanctioned by law or by the highest standards prevailing in the industry for the storage and use of such substances or materials, nor allow to be brought into the Building, the Premises or the Property, any such materials or substances except to use in the ordinary course of Tenant's business. This provision shall not apply to, and this provision expressly excludes, the prohibition of any materials used by Tenant in the ordinary course of Tenant's business (which use would also be in the ordinary course of business by most typical tenants of first class office space in downtown Tampa, Florida) such as, by way of illustration but not limitation, chemicals necessary for use in copying machines; provided, however, that any such materials shall be handled with extreme care by Tenant, and notwithstanding the consent to their introduction into the Premises, Tenant shall be responsible and liable for, and shall indemnify Landlord from and against, any loss, cost, damages or destruction of any nature whatsoever incurred by Landlord, to the extent such is caused by the use, storage, release or disposal by Tenant or any employee, agent, contractor or invitee of Tenant of any such substance in the Building. Without limitation, hazardous substances and materials shall include those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901 et seq., any applicable state or local laws and the regulations adopted under these acts. If any lender or governmental agency shall ever require testing to

ascertain whether or not there has been any release of hazardous materials, then the reasonable costs thereof shall be reimbursed by Tenant to Landlord upon demand as additional charges to the extent that such requirement applies specifically to an alleged condition or discharge in the Premises, or to an alleged condition or discharge within the Building or on the Property caused by Tenant or by Tenant's employees, agents, or contractors. In addition, in the event any in-house infirmary or other use or activity which generates any medical or biologically contaminated materials is located in the Premises, Tenant shall be responsible for and shall indemnify Landlord against any additional costs arising therefrom, including but not limited to the removal and proper disposal of medical and biologically contaminated materials. Tenant shall execute and deliver to Landlord affidavits, representations and the like from time to time at Landlord's request concerning Tenant's best knowledge and belief regarding the presence of hazardous substances or materials on the Premises. In all events, Tenant shall indemnify Landlord from any release of hazardous materials on the Premises or elsewhere if caused by Tenant or persons acting under Tenant. The within covenants shall survive the expiration or earlier termination of the Lease Term.

I. Landlord warrants and represents to and covenants with Tenant that the Building materially complies with Landlord's good faith interpretation of all applicable governmental regulations in effect as of the date of this Lease, including without limitation, the Americans with Disabilities Act (together, "Laws"), and Landlord shall indemnify Tenant from any claim, fine or cost resulting from any noncompliance of the Building with any Laws in effect and applicable to the Building as of the date of this Lease. Landlord further warrants that to the best of Landlord's knowledge, except for some smoking which occurs in the Building from time to time and except as described in the report by Law Engineering, Inc. (a copy of which is attached hereto as Exhibit "L"), the Building and the Property as of the date of this Lease are free from environmentally hazardous materials. Landlord shall indemnify Tenant for any claim, fine or cost resulting from the presence or alleged presence of environmentally hazardous materials in the Building or Property during the Lease Term, unless such presence or alleged presence of environmentally hazardous materials in the Building or Property is caused by the use, storage, release or disposal by Tenant or any employee, agent, contractor or invitee of Tenant of any such substance in the Building. Tenant shall be responsible for the portions of the Premises designed by Tenant's architect and constructed in substantial compliance with that design being in compliance with Laws, but except as otherwise hereinbelow provided, Tenant shall not be responsible for any common areas, bathrooms, elevators, lobbies, or any existing improvements in the Building or located within the Premises. Landlord shall be responsible for any portion of the initial improvements to the Premises not constructed substantially in accordance with Tenant's architect's design being in compliance with Laws, to the extent the noncompliance with Laws is caused by said portion of the initial improvements to the Premises not having been constructed substantially in accordance with Tenant's architect's design. Except as otherwise provided in this Section 7.I., Landlord shall be responsible for the existing bathrooms in the Building (including bathrooms existing in the Premises as of the date of this Lease) being in compliance with Laws. Notwithstanding the foregoing, if any alterations of the Premises by Tenant or any use of the Premises for uses other than the uses permitted under this Lease result in the imposition of new requirements for the Building, including but not limited to requirements to modify any existing bathrooms in the Building, Tenant shall be responsible for the cost of retrofitting or improving any part of the Building to meet those new requirements.

8. SERVICES:

A. Throughout the Lease Term, Landlord shall furnish the following services at a level of quality consistent with a

maintaining the Building as a Class A office building in downtown Tampa, Florida:

(i) Elevator service for passenger and delivery needs.

(ii) Subject to government regulations, heating, ventilation and air-conditioning as required to maintain temperature levels of between 72 degrees F and 75 degrees F, humidity levels between 40 and 57 percent, and fresh air levels of 15 CFM of fresh air per person, based on one person per 200 square feet of rentable space; throughout the Term of this Lease, Landlord shall ensure that the Building complies with all applicable indoor air quality laws, regulations and ordinances;

(iii) Hot and cold running water for all restrooms and lavatories;

(iv) Public restrooms, including the furnishing of soap, paper towels, and toilet paper;

(v) Janitorial service substantially consistent with the Janitorial Specifications set forth in Exhibit "I" attached hereto.

(vi) Electric power per attached Exhibit "G";

(vii) Electric lighting, suitable for normal office work at desk height except in corridors, common areas, parking facilities or storage areas, and including the replacement of the Building standard lamps and ballasts as needed;

(viii) Repairs and maintenance of the exterior walls, windows, doors, and roof of the Building, public corridors, stairs, elevators, storage rooms, restrooms, the heating, ventilating and air conditioning systems, electrical and plumbing systems of the Building, and the walks, paving and landscaping on the Property surrounding the Building;

(ix) Grounds care, including the sweeping of walks and parking areas and the maintenance of landscaping;

(x) Fire and extended coverage insurance to protect Landlord's interest in the Building;

(xi) General management, including supervision, inspections and management functions; and

(xii) Manned security in the Building on a 24 hour per day basis, together with a card key access system and security cameras, or such other security systems or equipment as Landlord in its reasonable judgement may from time to time select, all of a type and quality comparable with security systems and equipment provided in other Class A office towers in downtown Tampa. It is the current policy of Landlord to lock all exterior doors into the Building and the Garage at 7:00 p.m. each day, and on weekends and the legal holidays of New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, but Landlord reserves the right to modify such policy from time to time at Landlord's discretion.

B. The services provided for in Section 8.A. herein are predicated on and are in anticipation of certain usage of the Premises by Tenant as follows:

(i) Services shall be provided for the Building during the "Standard Building Hours", as hereinafter defined. Tenant shall have access twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks a year to the Premises and the Building. Landlord shall provide to Tenant, Tenant's employees and invitees security restricted access to the

Premises, by security guard sign-in, security card or other appropriate method at all times outside of Standard Building Hours. The Services described in Section 8.A. (i), (ii), (iii), (iv), (vi), (vii) and (x) of this Lease shall be provided twenty-four (24) hours per day, seven (7) days per week, fifty-two (52) weeks a year, every day during the Lease Term, except that Landlord shall provide heating and air conditioning for the Premises outside of Standard Building Hours, only at the request of Tenant, and Landlord may charge Tenant, and Tenant shall pay as Additional Rent, the "HVAC Charge", as hereinafter defined, for heating and air conditioning outside of Standard Building Hours. "Standard Building Hours" shall mean Monday through Friday, 7:00 a.m. to 7:00 p.m., and Saturday 8:00 a.m. to 1:00 p.m., excluding the legal holidays of New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and other holidays on which a majority of Tenant's employees whose principal place of employment is the Premises do not work in the Premises. The "HVAC Charge" shall be $35.00 per hour per floor during calendar year 1995; after December 31, 1995, Landlord may increase the HVAC Charge from time to time, but Landlord shall not increase the HVAC Charge at a rate greater than the rate of increase in Landlord's cost of electricity.

(ii) The portion of the Premises to be used as a computer room shall be separately metered (at Tenant's expense), and Tenant shall pay to Landlord, as Additional Rent, on a monthly basis, the cost of all electricity consumed in said computer room (including but not limited to electricity consumed by any HVAC system, other than the Building's HVAC system, serving said computer room and the cost of chilled water used in said HVAC system serving said computer room). All computers and computer-related equipment other than conventional desktop personal computers and the printers exclusively serving those desktop computers, shall be located in the computer room; and in the event any such computers or equipment are located in the Premises but outside of the computer room, Landlord may, at Landlord's option, separately meter such other portions of the Premises in which such computers and other equipment are located, and Tenant shall, promptly upon demand, reimburse Landlord for the cost of such additional metering, and Tenant shall pay to Landlord, as Additional Rent, on a monthly basis, the cost of all electricity consumed in said additional areas of the Premises containing such computers and equipment.

(iii) Landlord warrants to Tenant that the Building Standard Electrical Specifications are as set forth in Exhibit "G". Should Tenant's total rated electrical design load per square foot in the Premises exceed the Building standard rated electrical design load (as set forth on Exhibit "G") on a per square foot basis, as determined by Landlord from time to time, for either low or high voltage electrical consumption, or if Tenant's electrical design requires low voltage or high voltage circuits in excess of Tenant's share of the Building standard circuits (as set forth on Exhibit "G"), as such share is determined by Landlord in Landlord's reasonable judgment, Landlord shall (at Tenant's expense) install within the Building additional high voltage panel(s) and/or additional low voltage panel(s) with associated transformer (the "Additional Electrical Equipment") as necessary to accommodate Tenant's requirements. Landlord warrants that the Building's capacity to provide over standard electrical service is sufficient to meet Tenant's demand as evidenced by Tenant's space plan and program previously furnished by Tenant to Landlord. Except as otherwise provided in Section 8.B.(ii) above, Tenant shall not be obligated to Landlord for any expense for such electrical consumption in the Premises or for subsequent changes in equipment which do not increase electricity consumption in the portions of the Premises which are not separately metered and billed to Tenant as Additional Rent.

C. Except as provided in Section 8.D. hereof, Landlord shall not be liable for any damages directly or indirectly, and Tenant shall have no right of set-off or reduction in Rent or Interest, resulting from the installation, use, malfunction, or interruption of use of any equipment in connection with the furnishing of services referred to herein, including, but not limited to, any interruption in services by any cause whether within or beyond the immediate control of Landlord; but Landlord shall exercise due care in furnishing adequate and uninterrupted services. Without limitation of the foregoing, under no circumstances shall Landlord incur liability for damages caused directly or indirectly by any malfunction of a computer system or systems within the Building resulting from or arising out of the failure or malfunction of any electrical, air conditioning or other system serving the Building or the Property, and Tenant hereby expressly waives the right to make any such claim against Landlord, unless such failure or malfunction of any electrical, air conditioning or other system serving the Building or the Property is due to the gross negligence or willful misconduct of Landlord. Tenant shall promptly notify Landlord in the event any service which Landlord is obligated hereunder to provide is not provided.

D. If "Essential Building Services", as hereinafter defined, are interrupted for more than three (3) consecutive business days, Monthly Payment shall equitably abate from the first day of such interruption until restoration of services, based on the effect of such interruption on the use and enjoyment of the Premises by Tenant and its customers. If such Essential Building Services are interrupted and not restored for any reason (including force majeure), other than a casualty, for ninety (90) consecutive days, Tenant will have the right by written notice to Landlord before such Essential Building Services have been substantially restored, to terminate the Lease. "Essential Building Services" shall mean any service provided by Landlord, the absence or diminution of which materially and adversely affects Tenant's and its customer's use and enjoyment of the Premises for their intended purposes.

9. DESTRUCTION OR DAMAGE TO PREMISES:

A. If the Premises or the Building are totally destroyed (or so substantially damaged as to be untenantable in the reasonable determination of Landlord) or if the Building (whether or not the Premises are damaged) are damaged to the extent of thirty-five percent (35%) or more of the then-replacement cost thereof, by storm, fire, earthquake, or other casualty, Landlord shall have the option to:

(i) terminate all similarly affected Building leases including this Lease as of the date of the occurrence of the storm, fire, earthquake or other casualty by giving written notice to Tenant within thirty (30) days of the date of damage or destruction; or

(ii) if in the reasonable determination of Landlord the Premises or the Building can be restored within one hundred eighty (180) days of such casualty, commence and diligently pursue the restoration of the Premises to a tenantable condition within sixty (60) days from the date of such casualty, and proceed with due diligence to complete said restoration of the Premises. In the event Landlord chooses to restore the Premises, Rent shall equitably abate, based on the effect of such casualty on the Premises, Building and parking, from the date of such casualty until the date of substantial restoration thereof.

If Landlord fails to complete such restoration within one hundred eighty (180) days after the date of such casualty, this Lease may be terminated as of the one hundred eightieth (180th) day after the date of such casualty, upon written notice from Tenant to Landlord in the event the Premises are then still not usable for Tenant's intended purpose by reason of the damage, with such notice

to be given not more than ten (10) days following the expiration of said one hundred eighty (180) day period. If, in the process of conducting such restoration, Landlord discovers conditions which, in Landlord's reasonable estimation, will prevent Landlord from completing said restoration within said one hundred eighty (180) day period, Landlord shall promptly notify Tenant of Landlord's revised estimation of the period of time required to complete said restoration, and, within ten (10) days after Tenant's receipt of said notice, this Lease may be terminated by written notice from Tenant to Landlord or from Landlord to Tenant. Notwithstanding the foregoing, if (i) Landlord notifies Tenant in writing that, in the reasonable judgment of Landlord, Landlord will be unable to complete such restoration within one hundred eighty (180) days after the date of the casualty, and if within ten (10) days after Tenant's receipt of said written notice, Landlord and Tenant, both operating in good faith, do not agree upon a longer period of time within which Landlord will be obligated to complete such restoration, or (ii) Landlord reasonably anticipates that insurance proceeds will not be available to Landlord which together with deductible amounts are sufficient to pay for or reimburse Landlord for the cost of such restoration, and if Landlord so notifies Tenant, then Landlord shall not be obligated to make such restoration, and either Landlord or Tenant may, by written notice to the other within thirty (30) days thereafter, terminate this Lease. In addition, if, in the process of conducting such restoration, Landlord discovers conditions of which Landlord was not before then fully aware, which conditions, in Landlord's reasonable estimation, will increase the cost of such restoration to more than one hundred twenty percent (120%) of the amount Landlord had previously estimated, and if insurance proceeds are not available to cover such increased cost of restoration, Landlord may, by written notice to Tenant, terminate this Lease together with all other similarly affected leases, in which event Landlord shall be liable to Tenant for any additional damages incurred by Tenant because of Landlord's delayed termination of this Lease. In the event no notice terminating this Lease is given in accordance with the provisions of this Section 9.A., then this Lease shall remain in force and effect and unabated Monthly Payment and Additional Rent shall commence fifteen (15) days after delivery of the Premises to Tenant in a condition usable for Tenant's intended purpose. In the event such damage or destruction occurs within twelve (12) months of the expiration of the Lease Term, Tenant may, at its option on written notice to Landlord within thirty (30) days of such destruction or damage, terminate this Lease as of the date of such destruction or damage. Landlord shall have the right to terminate the Lease if (a) the Premises are substantially damaged or destroyed by risk not covered by insurance and Landlord elects to terminate all similarly affected Building leases; (b) the Premises are damaged in whole or in part during the last twelve (12) months of the Lease Term; or (c) any mortgagee with an interest in or lien upon all or any portion of the Property elects to apply the insurance proceeds to the outstanding balance of the obligations secured by such mortgage and Landlord decides, in Landlord's sole discretion, that Landlord will not rebuild or restore the Building and Landlord terminates all other leases in the Building. In the event Landlord terminates the Lease pursuant to (c) above, and if Landlord rebuilds the Building and the Premises and leases the Premises to any party other than Tenant, Landlord shall pay to Tenant the difference between the amount of rent Landlord receives from Landlord's new Tenant in the Premises during the remainder of the Lease Term and the amount of Rent and Interest Tenant would have been obligated to pay to Landlord for the same period of time if Landlord had rebuilt the Premises for Tenant and this Lease had not been terminated.

B. If the Premises or Building are damaged by any of the events set forth in Section 9A above, without rendering the Premises wholly untenantable, Monthly Payment and Additional Rent shall equitably abate based on the diminution of Tenant's use and enjoyment of the Building, Premises and parking facilities. Landlord shall substantially complete the Premises as speedily as practicable, and full Monthly Payment and Additional Rent shall

commence fifteen (15) days after delivery of possession of the substantially complete Premises to Tenant.

C. In no event shall Monthly Payment or any other amount due from Tenant under this Lease abate if the damage or destruction of the Premises, whether total or partial, is the result of the willful misconduct of Tenant, its agents, employees, guests or invitees.

D. Except for abatement of rent, if any, Tenant shall have no claim against Landlord for any loss suffered by reason of any such damage, destruction or restoration, nor shall Tenant have the right to terminate this Lease as the result of any statutory provision now or hereafter in effect pertaining to the damage and destruction of the Premises or the Building, except as expressly provided herein. The proceeds of all insurance carried by Tenant on its leasehold improvements and fixtures shall be held in trust by Tenant for the purpose of the repair and replacement thereof. Landlord shall repair and restore all Tenant Improvements, but Landlord shall not be required to repair any damage or to make any restoration or replacement of any leasehold improvements (other than Tenant Improvements), personal property or fixtures installed in the Premises by Tenant or at the direct or indirect expense of Tenant. Unless this Lease is terminated by Landlord pursuant to this Section 9, Tenant shall be required to restore or replace such leasehold improvements and fixtures (other than Tenant Improvements) in the event of damage or destruction in at least a condition equal to or better than that existing prior to such event.

10. DEFAULT AND REMEDIES:

A. The occurrence of any of the following shall constitute an event of default hereunder by Tenant:

(i) The Rent or any other sum of money due of Tenant hereunder is not paid within five (5) days after the date on which Landlord notifies Tenant that said Rent or other sum is past due; provided, however, if more than two (2) payments due of Tenant hereunder in any one (1) calendar year are not made until after notice of such late payment is received by Tenant, then it shall be an event of default hereunder by Tenant if any subsequent payments due of Tenant hereunder are not made within five (5) days of the date when due;

(ii) The Premises are totally deserted, even though Tenant continues to pay the stipulated Rent and Interest, and Tenant does not cure such default within ten (10) days after notice from Landlord to Tenant;

(iii) Any petition is filed against Tenant or any guarantor of this Lease under any section or chapter of the National or Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or other similar law, and such petition is not dismissed within ninety (90) days after the date of such filing;

(iv) Any petition is filed by Tenant or any guarantor of this Lease under any section or chapter of the National or Federal Bankruptcy Code or any other applicable federal or state bankruptcy, insolvency or other similar law.

(v) Tenant shall become insolvent or transfer property to defraud creditors;

(vi) Tenant fails to remove any lien filed against the Premises, the Building or the Property by reason of Tenant's actions within ten (10) days after Tenant receives notice of any such filing;

(vii) Tenant shall make an assignment of a substantial portion of Tenant's assets for the benefit of creditors;

(viii) A receiver is appointed for a substantial part of Tenant's assets;

(ix) Tenant fails to observe, perform and keep each and every of the covenants, agreements, provisions, stipulations and conditions herein contained to be observed, performed and kept by Tenant (other than the failure to pay when due any Rent or any other sum of money becoming due Landlord hereunder, which under all circumstances is governed by and subject to Section 10A(i) herein) and persists in such failure after ten (10) days notice by Landlord requiring that Tenant remedy, correct, desist or comply (or if any such failure would reasonably require more than ten (10) days to rectify, unless Tenant commences rectification within the ten (10) day notice period and thereafter promptly, effectively and continuously proceeds with the rectification of the failure to perform, and, in all such events, cures such failure to perform no later than fifty (50) days after such notice); or

(x) Any guarantor of this Lease attempts to rescind or terminate its guaranty.

B. Upon the occurrence of an event of default, provided Tenant does not cure said default within the period of time allowed for cure as set forth above, if any, Landlord shall have the option to do and perform any one or more of the following in addition to, and not in limitation of, any other remedy or right permitted it by law or by this Lease:

(i) Terminate this Lease by written notice to Tenant or by any lawful means, in which event Tenant shall immediately surrender the Premises to Landlord, and Tenant shall immediately pay to Landlord, and Landlord shall be entitled to immediately collect from Tenant (regardless of whether or not Landlord evicts Tenant from the Premises or otherwise recovers possession of the Premises from Tenant), any arrearages in Rent or any other amounts (including Interest) due from Tenant under this Lease which relate to a period of time before such termination of this Lease (including any Unpaid Balance identified in Schedule 1 attached to this Lease). If Tenant shall fail to so surrender the Premises, Landlord may, without further notice and without prejudice to any other remedy Landlord may have, enter upon the Premises and expel or remove Tenant and Tenant's effects, in accordance with applicable law, without being liable to prosecution or any claim for trespass or damages therefor; and/or

(ii) In the event of a monetary default, declare the entire amount of Rent (including Additional Rent, calculated on the then-current rate being paid by Tenant), and other sums which would become due and payable during the remainder of the Lease Term ((including Interest) to be due and payable immediately, in which event, Tenant agrees to pay the same at once together with all Rent and Interest theretofore due, at Landlord's address as provided herein (all of such sums being adjusted to present value using a discount rate of eight percent (8%) per annum; provided, however, that such payment shall not constitute a penalty or forfeiture, but shall constitute liquidated damages for Tenant's failure to comply with the terms and provisions of this Lease (Landlord and Tenant agreeing that Landlord's actual damages in such an event are impossible to ascertain and that the amount set forth above is a reasonable estimate thereof). Upon making such payment, Tenant shall receive from Landlord all rents received by Landlord from other tenants on account of the Premises during the Lease Term; provided however, that the

monies to which Tenant shall so become entitled shall in no event exceed the entire amount actually paid by Tenant to Landlord pursuant to the preceding sentence, less all of Landlord's costs and expenses (including, without limitation, advertising expenses and professional fees) incurred in connection with the termination of this Lease, eviction of Tenant and reletting of the Premises. The acceptance of such payment by Landlord shall not constitute a waiver by Landlord of any failure of Tenant thereafter occurring to comply with any term, provision, condition or covenant of this Lease, including but not limited to the continuing obligation of Tenant to pay Additional Rent pursuant to Section 5 of this Lease to the extent such Additional Rent is not otherwise collected by Landlord; and/or

(iii) Enter the Premises as the agent of Tenant, in accordance with applicable law, without being liable to prosecution of any claim for trespass or damages therefor, and, in connection therewith, rekey the Premises, remove Tenant's effects therefrom and store the same at Tenant's expense, without being liable for any damages thereto, without terminating the Lease, and relet the Premises as the agent of Tenant without advertisement and by private negotiations and for any term Landlord deems proper, and receive the rent therefor. Tenant shall pay Landlord any deficiency that may arise by reason of such reletting on demand, but Tenant shall not be entitled to any surplus so arising. Tenant shall reimburse Landlord for all costs and expenses (including, but not limited to, advertising expenses and professional fees) incurred in connection with or in any way related to the eviction of Tenant and reletting the Premises Landlord, in addition to but not in lieu of or in limitation of any other right or remedy provided to Landlord under the terms of this Lease or otherwise (but only to the extent such sum is not reimbursed to Landlord in conjunction with any other payment made by Tenant to Landlord), shall have the right to be immediately repaid by Tenant the unamortized amount of all sums expended by Landlord and not repaid by Tenant in connection with preparing or improving the Premises to Tenant's specifications and any and all costs and expenses incurred in renovating or altering the Premises to make it suitable for reletting, including but not limited to the costs of all space planning, architectural and engineering costs, and all brokerage fees or commissions incurred in connection with such reletting; notwithstanding the foregoing, the foregoing provisions of this sentence shall not apply if Tenant pays to Landlord all costs and expenses incurred by Landlord in renovating or altering the Premises to make it suitable for reletting, including but not limited to the costs of all space planning, architectural and engineering costs, and all brokerage fees or commissions incurred in connection with such reletting; and/or

(iv) As agent of Tenant, do whatever Tenant is obligated to do by the provisions of this Lease, including, without limitation, entering the Premises, in accordance with applicable law, without being liable to prosecution or any claims for trespass or damages therefor, in order to accomplish this purpose. Tenant agrees to reimburse Landlord immediately upon demand for any reasonable expenses which Landlord may incur in thus effecting compliance with this Lease on behalf of Tenant, plus interest at the rate of eighteen percent (18%) per annum on such amounts from the date of such written demand until recovered by Landlord, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action, unless caused by the gross negligence or willful misconduct of Landlord.

(v) In pursuing its remedies for Tenant's default, Landlord shall use reasonable good faith efforts to relet the Premises and otherwise to mitigate its damages on account of Tenant's default hereunder.

C. Pursuit by Landlord of any of the foregoing remedies shall not preclude Landlord from the pursuits of general or special damages incurred, or of any of the other remedies provided herein, at law or in equity, including but not limited to the right of Landlord to be reimbursed by Tenant for the expense of repairing any damage to the Premises or the Building caused by Tenant or Tenant's agents, employees, contractors or invitees in the process of vacating the Premises and removing Tenant's property therefrom, plus interest at the rate of eighteen percent (18%) per annum on such amounts from the date of written demand for such reimbursement until such reimbursement is recovered by Landlord.

D. No act or thing done by Landlord or Landlord's employees or agents during the Lease Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept a surrender of the Premises shall be valid unless the same be made in writing and executed by Landlord. Any waiver of or redress for any violation of any covenant or condition contained in this Lease or any of the Rules and Regulations now or hereafter adopted by Landlord shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt and acceptance by Landlord of Monthly Payment or Additional Rent with knowledge of the violation by Tenant of any covenant in this Lease shall not be deemed a waiver or acceptance by Landlord of such violation by Tenant. In the event of any default by Tenant under the terms and provisions of this Lease, Landlord, in addition to but not in lieu of or in limitation of any other right or remedy provided to Landlord under the terms of this Lease or otherwise, shall have the right to be immediately repaid by Tenant the amount of all unamortized sums expended by Landlord and not repaid by Tenant in connection with preparing or improving the Premises to Tenant's specifications and any and all costs and expenses incurred in renovating or altering space to make it suitable for reletting, including but not limited to the costs of all space planning, architectural and engineering costs, and all brokerage fees or commissions incurred in connection with such reletting; notwithstanding the foregoing, the foregoing provisions of this sentence shall not apply if Tenant pays to Landlord all costs and expenses incurred by Landlord in renovating or altering the Premises to make it suitable for reletting, including but not limited to the costs of all space planning, architectural and engineering costs, and all brokerage fees or commissions incurred in connection with such reletting.

E. No claim or cause of action against Landlord under this Lease shall be valid unless Landlord and the holder of any mortgage or deed of trust covering or encumbering all or any portion of the Property (a "Mortgagee") whose name and address have theretofore been given by notice to Tenant fail to perform the express obligation required of Landlord hereunder within forty-five (45) days after the later to occur of (i) notice by Tenant to Landlord, specifying the respects in which Landlord has failed to perform such express obligation or, (ii) the earlier of the date the Mortgagee first has the right to cure or commence to cure such obligation of Landlord or the date of written notice from Tenant to Mortgagee specifying the respects in which Landlord has failed to perform such express obligation (such later date being herein referred to as the "Cure Commencement Date"); provided, however, that if the nature of Landlord's obligation is such that more than forty-five (45) days after any Cure Commencement Date are reasonably required for performance or cure, there shall be no claim against Landlord or any such Mortgagee, nor shall Tenant have any right to perform Landlord's obligation under Sections 10.F. or 10.G. hereof, if Landlord or such Mortgagee commences performance within such forty-five (45) day period and thereafter diligently prosecutes the same to completion. Except as expressly provided in this Lease, Tenant shall not have the right to terminate this Lease or to abate or withhold the payment of Rent, Interest or other charges provided for herein as a result of any claim by Tenant against Landlord.

F. So long as the Landlord is Southeast Financial Center Associates, Teachers Insurance and Annuity Association ("TIAA"), or a related entity, if Landlord and Mortgagee have failed to perform any express obligation required of Landlord hereunder within the grace and cure periods provided in Section 10.E. hereof, and if Tenant has given written notice to Landlord and Mortgagee of Landlord's failure to perform such express obligation required of Landlord under the Lease, Tenant shall have the right, to perform said express obligation of Landlord, provided such performance by Tenant shall not: (i) adversely affect the premises of other tenants, or the exterior, structural elements or mechanical systems of the Building, or (ii) improve upon the level or quality of services required to be provided by Landlord. Following such performance by Tenant, Landlord shall be obligated to reimburse Tenant for Tenant's reasonable out-of-pocket expenses in performing said obligation of Landlord upon receipt from Tenant of demand for such reimbursement and reasonable documentation of the amount of said actual out-of-pocket expenses incurred by Tenant in performing said obligation of Landlord; if Landlord does not reimburse Tenant for said reasonable out-of-pocket expenses within forty-five (45) days after receipt of Tenant's demand therefor and reasonable documentation of the amount thereof, Tenant may, as Tenant's sole remedy for Landlord's failure to reimburse such expenses, seek a judgment from a court of competent jurisdiction that such expenses are due to Tenant. Upon receipt of such a judgment, Tenant may set off against the next accruing payments of Monthly Payment, such expenses, together with reasonable attorneys' fees, awarded in said judgement, with interest on the amount awarded at the statutory rate from the date of judgement. In addition to any other right or remedy available to Tenant under the Lease or at common law, in the event Landlord fails to:

(i) fund any disbursement of the Tenant Improvement Allowance due as a construction draw within forty-five (45) days after receipt of proper invoice and supporting documentation, Tenant may pay such invoice, and at Tenant's election, thereafter pay all such invoices as they are submitted, or

(ii) fund any disbursement of the Relocation Allowance when due,

then Rent shall abate until all such amounts, including damages and penalties owed to Tenant by Landlord (including without limitation damages or penalties resulting from delay in construction of the Premises), plus interest at eighteen percent (18%) per annum, on all such amounts from the date of demand therefor until such amounts are recovered by Tenant.

G. If, after ownership of the Building is transferred to a person or entity unrelated to Landlord or TIAA, the successor landlord fails to timely or fully perform any obligations of Landlord under this Lease, Tenant may, after notice and opportunity to cure said failure to perform being afforded to said successor landlord as provided in Section 10.E. above, perform such obligations and deduct the reasonable cost of such performance from succeeding rental payments.

H. In the event Tenant performs any obligation of Landlord under this Lease, Tenant shall perform such obligation of Landlord in a good and workmanlike and reasonable manner and in compliance with all applicable laws and ordinances, without damaging or weakening any component of the Building, and without endangering or unreasonably interfering with the use of the Building by any other tenants of the Building; and Tenant shall be responsible for any and all costs, claims, expenses, damages (including consequential damages), liens, losses and judgments arising out of or in any way relating to Tenant's performance of said obligation of Landlord, and provided further that Tenant shall indemnify, protect and defend Landlord from and against any and all costs, claims, expenses, damages (including consequential damages),

liens, losses and judgments arising out of or in any way relating to Tenant wrongfully performing any such obligation of Landlord.

11. ASSIGNMENT AND SUBLETTING:

A. Tenant shall not, voluntarily or by operation of law, sublet any part of the Premises, nor assign, transfer, mortgage, encumber, pledge or hypothecate this Lease or any interest herein, without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed. Consent by Landlord to one assignment or sublease shall not destroy or waive this provision, and all later assignments and subleases shall likewise be made only upon prior written consent of Landlord. Sublessees or assignees shall, at the option of Landlord, become liable directly to Landlord for all obligations of Tenant hereunder without relieving Tenant's liability hereunder and, except as otherwise provided in this Section 11, in all events and under all circumstances Tenant shall continue to be liable for all of Tenant's obligations under the Lease, regardless of any such assignment of Lease or sublease of all or any portion of the Premises. If Tenant notifies Landlord of Tenant's intent to sublease or assign this Lease, Tenant shall submit to Landlord the terms thereof, the name and address of the proposed assignee or subtenant, such information relating to the nature of the business and finances of such assignee or subtenant as Landlord may reasonably require and the proposed effective date of the proposed assignment or subleasing. Landlord shall within fifteen (15) days from receipt of such notice and materials (i) consent to such proposed subletting or assignment; (ii) refuse such consent; or (iii) if the proposed assignment or subleasing would expire within the last six (6) months of the Lease Term, elect to cancel this Lease as to that portion of the Premises which is affected by the proposed sublease or assignment. If Landlord elects to cancel the Lease as to such portion of the Premises, Tenant shall have ten (10) days from Tenant's receipt of such notice to notify Landlord of Tenant's acceptance of such cancellation or Tenant's desire to remain in possession of the portion of the Premises which is the subject of such proposed sublease or assignment under the terms and conditions and for the remainder of the Lease Term. If Tenant fails to so notify Landlord of Tenant's election to accept cancellation or to continue as Tenant hereunder, such failure shall be deemed an election to terminate and in such event, or if Tenant notifies Landlord of Tenant's acceptance of such cancellation, such cancellation shall be effective as of the end of the ten (10) day period provided for in Landlord's notice as hereinabove provided. If this Lease is either canceled or a sublease or assignment is made as herein provided, Tenant shall pay to Landlord a charge equal to the actual costs incurred by Landlord for all of the necessary legal and accounting services required in order to accomplish such cancellation, assignment or subletting. If this Lease is canceled as to a portion of the Premises only, the Monthly Payment payable by Tenant hereunder shall be abated proportionately as of the date of such cancellation, based upon the percentage of the Premises as to which this Lease has been terminated.

Notwithstanding anything to the contrary in this Section 11, consent of Landlord shall not be required for an assignment to (a) any entity resulting from a merger or consolidation of Tenant, or (b) any entity succeeding to all of the business and assets of Tenant; if Tenant assigns all of Tenant's rights under this Lease to any entity succeeding to all of the business and assets of Tenant, provided such assignee agrees in writing with Landlord to assume all obligations of Tenant under this Lease, Tenant shall be released from all liability under the Lease after an assignment to such entity. Landlord shall notify Tenant in writing of the reasons for any refusal by Landlord to consent to any proposed sublease or assignment by Tenant of all or any part of the Premises at the same time as Landlord notifies Tenant of Landlord's refusal to consent to said proposed sublease or assignment.

Landlord shall not be deemed to have unreasonably withheld or refused to consent to an assignment or sublease of all

or part of the Premises if (for example and without limitation) such proposed assignment or sublease would, in Landlord's reasonable opinion, be likely to:

(i) materially increase the intensity of use of the Premises or the Building;

(ii) increase Operating Costs of the Building, unless Tenant agrees to reimburse Landlord for such increased Operating Costs;

(iii) result in the use of any part of the Premises for a medical or medical-related use other than an in-house infirmary to treat minor ailments of Tenant's employees;

(iv) violate any provision of any other lease or contract to which Landlord is a party; or

(v) lessen the desirability or prestige of the Building or make more difficult the overall marketing of the Building to prospective tenants or purchasers of the Building.

Upon Tenant's assignment of the Lease to any entity with financial strength (evidenced by its net worth and profit and loss statements) the same or greater than that of Tenant, to which Landlord has no reasonable objection, and provided such assignee agrees in writing with Landlord to assume all obligations of Tenant under this Lease, Landlord shall release Tenant from all liability under the Lease relating to periods of time after the effective date of such assignment. In the event that the Landlord recaptures the entire Premises, Landlord shall release Tenant from all liability under the Lease relating to periods of time after such recapture.

B. No assignment or sublease hereunder shall be effective unless and until Tenant provides to Landlord an executed counterpart of the assignment or sublease agreement, which shall specifically state, in the case of an assignment, that the assignee assumes and agrees to perform Tenant's obligations under the Lease.

C. Anything contained in the foregoing provisions of this Section 11 to the contrary notwithstanding, neither Tenant nor any other person having an interest in the occupancy or utilization of the Premises shall enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Premises which provides for rental or other payment for such use, occupancy or utilization based, in whole or in part, on the net income or profits derived by any person from the Premises leased, used, occupied or utilized (other than an amount based on a fixed percentage or percentages of receipts of sales), and any such proposed lease, sublease, license, concession or other agreement shall be absolutely void and ineffective as a conveyance of any right or interest in the possession, use, occupancy or utilization of any part of the Premises.

12. CONDEMNATION:

A. If all of the Premises, or any part of the Premises such that the Premises are unusable by Tenant for its intended purpose, are taken by virtue of eminent domain or other similar proceeding or are conveyed in lieu of such taking, this Lease shall expire on the day before such title or right of possession shall vest, and upon such expiration of the Lease, an amount equal to the Monthly Payment paid by Tenant for the calendar month in which the expiration of this Lease, multiplied by a fraction, the numerator of which is the number of days in the month after the date of expiration, and the denominator of which is the total number of days in that month, be repaid to Tenant or applied to any amount then due from Tenant under this Lease. In the event of a partial taking where this Lease is not terminated, the Monthly Payment shall be equitably adjusted based on the diminution of Tenant's use

and enjoyment of the Building, Premises and parking. In either event, Landlord shall be entitled to, and Tenant shall not have any right to claim, any award made in any condemnation proceeding, action or ruling relating to the Building or the Property; provided however, Tenant shall be entitled to make a claim in any condemnation proceeding, action or ruling relating to the Building for Tenant's moving expenses, damage to its business, and the unamortized value of leasehold improvements in the Premises actually paid for by Tenant, to the extent such claim does not in any manner impact upon or reduce Landlord's claim or award in such condemnation proceeding, action or ruling.

B. Landlord shall have, in Landlord's reasonable discretion, the option of terminating this Lease if any condemnation, action or ruling or deed in lieu thereof with respect to any portion or the Property (whether or not including the Premises) makes continuation of its ownership or previous method of operation of the Building economically unfeasible for Landlord, provided that Landlord terminates all similarly affected leases at the same time.

13. INSPECTION: Landlord, its agents or employees may enter the Premises after reasonable notice to exhibit same to prospective purchasers (or, during the last twelve months of the Lease Term, to prospective tenants); to inspect the Premises to see that Tenant is complying with all its obligations hereunder; to make repairs or to perform cleaning required of Landlord under the terms hereof; to make repairs to any adjoining portion of the Building; or to make repairs to systems serving the Building. Tenant hereby waives any claim for damages or for injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned by Landlord's exercise of any of its rights under this Section 13. For purposes of this Section 13, reasonable notice for exhibiting the Premises to prospective tenants may be as little as fifteen minutes. No notice shall be required for access to the Premises by Landlord or Landlord's employees, agents or contractors (i) to perform routine cleaning or maintenance within the Premises, (ii) to perform normal duties relating to security or safety of occupants of the Building, or (iii) in cases of emergency. Landlord shall exercise its right of access to the Premises under this Section 13 in a manner which will not materially interfere with Tenant's use of the Premises.

14. SUBORDINATION:

A. Landlord warrants that NationsBank of Texas, N.A. ("NationsBank") is the owner and holder of the only mortgage encumbering the Property on the date of this Lease. As a material condition to Tenant's obligations under this Lease, Landlord shall, not later than forty-five (45) days after execution of this Lease, deliver to Tenant a subordination agreement executed by NationsBank, in substantially the form attached hereto as Exhibit "K".

B. Upon receipt of a Non-Disturbance Agreement fully recognizing Tenant's rights and remedies set forth in this Lease (the "Non-Disturbance Agreement"), fully executed in recordable form by the holder of the pertinent land lease or mortgage, this Lease shall be subordinate to such underlying land lease or mortgage or deed of trust (hereafter referred to as a "mortgage") which may hereafter affect this Lease, the Building or the Property of which the Premises form a part, and also to all renewals, modifications, extensions, consolidations, and replacements of such underlying land leases and such mortgages. In confirmation of the subordination set forth in this Section 14, Tenant shall, at Landlord's request, execute and deliver such further instruments as may be reasonably desired by any Mortgagee or by any lessor under any such underlying land leases. Notwithstanding the foregoing, Landlord or such Mortgagee shall have the right to subordinate or cause to be subordinated, in whole or in part, any such underlying land lease or mortgage to this Lease. In the event that any such underlying land lease or mortgage terminates for any reason or any

such mortgage is foreclosed or a conveyance in lieu of foreclosure is made for any reason, Tenant shall, notwithstanding any subordination, deliver to Mortgagee within ten (10) days of written request an attornment agreement, providing that Tenant shall continue to abide by and comply with the terms and conditions of this Lease.

In the event any proceedings are brought for the foreclosure of, or in the event of exercise of the power of sale, or conveyance in lieu of foreclosure, under any mortgage, Tenant shall, at the option of the purchaser at such foreclosure or other sale, attorn to such purchaser and recognize such person as the Landlord under this Lease. Tenant agrees that, at any Mortgagee's option, the institution of any suit, action or other proceeding by such Mortgagee or a sale of the Property, pursuant to the powers granted to such Mortgagee under its mortgage, shall not, by operation of law or otherwise, result in the cancellation or the termination of this Lease or of the obligations of the Tenant hereunder.

Tenant shall have the same remedies against any transferee of Landlord's interest in the Property for the breach of an agreement contained in this Lease that Tenant might have had against Landlord, except that such transferee shall not be (i) liable for any act or omission of the previous Landlord, except to the extent of any right of setoff Tenant may have under an express provision of this Lease; or (ii) bound by any Rent or Interest which Tenant might have paid more than thirty (30) days in advance to the previous Landlord; provided that no such transferee shall be personally liable for any obligation or liability under this Lease unless such transferee has by written agreement expressly assumed such obligation or liability.

15. INDEMNIFICATION AND HOLD HARMLESS:

A. Subject to and except for claims waived pursuant to the express provisions of Section 16 below, Tenant hereby indemnifies and holds Landlord harmless from and against any injury, expense, damage, liability or claim, including, but not limited to, court costs and attorneys' fees, imposed on Landlord by any person whomsoever, whether due to damage to the Premises, claims for injuries to the person or property of any other tenant of the Building or the Property or of any other person in or about the Building or the Property for any purpose whatsoever, or administrative or criminal action by a governmental authority, where such injury, expense, damage, liability or claim results from the gross negligence or willful misconduct of Tenant or the agents, employees or contractors of Tenant, or any litigation commenced by or against Tenant to which Landlord is made a party without fault on the part of Landlord. Tenant further agrees to reimburse Landlord for any reasonable costs or expenses, including, but not limited to, court costs and attorneys' fees, which Landlord may incur in investigating, handling or litigating any such claim or any action by a governmental authority.

B. Subject to and except for claims waived pursuant to the express provisions of Section 16 below, Landlord hereby indemnifies and holds Tenant harmless from and against any injury, expense, damage, liability or claim, including, but not limited to, court costs and attorneys' fees, imposed on Tenant by any person whomsoever, whether due to damage to the Premises, claims for injuries to the person or property of any other tenant of the Building or the Property or of any other person in or about the Building or the Property for any purpose whatsoever, or administrative or criminal action by a governmental authority, where such injury, expense, damage, liability or claim results from the gross negligence or willful misconduct of Landlord or the agents, servants, or employees of Landlord, or any litigation commenced by or against Landlord to which Tenant is made a party without fault on the part of Tenant. Landlord further agrees to reimburse Tenant for any reasonable costs or expenses, including, but not limited to, court costs and attorneys' fees, which Tenant

may incur in investigating, handling or litigating any such claim or any such action by a governmental authority.

C. Tenant shall promptly give notice to Landlord of any defective condition in or about the Premises known to Tenant.

16. INSURANCE:

A. Tenant shall carry (at its sole expense and during the Lease Term) the equivalent of ISO Special Form property insurance insuring Tenant's interest in its additional improvements (exclusive of Tenant Improvements) to the Premises and any and all furniture, equipment, supplies, and other property owned, leased, held or possessed by it and contained therein, such insurance coverage to be in an amount equal to the current replacement value of such improvements and property, as such may increase from time to time, and workmen's compensation insurance as required by applicable law. Such fire and extended coverage insurance shall name Landlord as a loss payee as its interests may appear. Tenant shall also procure and maintain throughout the Lease Term a policy or policies of commercial general liability insurance, insuring Tenant, Landlord and any other person designated by Landlord, against any and all liability for injury to or death of a person or persons and for damage to property occasioned by or arising out of any construction work being done on the Premises (exclusive of Tenant Improvements), or arising out of the condition, use, or occupancy of the Premises, or in any way occasioned by or arising out of the activities of Tenant, its agents, employees, guests, or licensees in the Premises, or other portions of the Building, or the Property, such policy or policies to have a combined single limit of not less than Five Million and No/100 Dollars ($5,000,000.00) for any bodily injury or property damage occurring as a result of or in connection with the above. Landlord and Tenant shall have included in all policies of property insurance respectively obtained by them with respect to the Building or Premises a waiver by the insurer of all right of subrogation against the other in connection with any loss or damage thereby insured against. To the full extent permitted by law, Landlord and Tenant each waive all right of recovery against the other for, and agree to release the other from liability for, loss or damage to the extent such loss or damage is covered by insurance in effect or required to be carried at the time of such loss or damage. All said insurance policies shall be carried with companies licensed to do business in the State of Florida reasonably satisfactory to Landlord and shall be non-cancelable except after twenty (20) days written notice to Landlord. Such policies or duly executed certificates of insurance with respect thereto shall be delivered to Landlord prior to the date that Tenant takes possession of the Premises and renewals thereof as required shall be delivered to Landlord at least thirty (30) days prior to the expiration of each respective policy term. All policies carried by Tenant shall be written as primary policies, not contributing with and not in excess of the coverage which Landlord may carry, and shall only be subject to such deductibles as may be approved by Landlord in advance in writing.

B. Landlord shall during the Lease Term carry insurance coverages with respect to the Building and the Property not less than as set forth on Exhibit "N" attached hereto, provided that Landlord may carry coverages different than, and less than, those set forth in said Exhibit "N" as long as the insurance carried by Landlord with respect to the Building and the Property is commercially reasonable. Landlord shall cause each policy carried by Landlord insuring the Building against loss, damage or destruction by fire or other casualty, and Tenant shall cause each insurance policy carried by Tenant insuring the Premises and Tenant's Alterations, leasehold improvements, space equipment, furnishings, furniture, contents and fixtures against loss, damage or destruction by fire or other casualty, to be written in a manner so as to provide that the insurance company waives all rights of recovery by way of subrogation against Landlord or Tenant in connection with any loss or damage covered by any such policy of

property insurance. Except for claims based on the gross negligence or willful misconduct of the parties, their employees, agents or contractors, neither party shall be liable to the other for the amount of such loss or damage which is in excess of the applicable deductible, if any, caused by fire or any of the risks enumerated in its property insurance policies. Each party shall obtain, and deliver a copy to the other party of, a waiver of subrogation (as described in Section 16.A. above) from said party's property insurer within fifteen (15) days after execution of this Lease. If the release of either Landlord or Tenant, as set forth in the second sentence of this Section 16.B., shall contravene any law with respect to exculpatory agreements, the liability of the party in question shall be deemed not released, but no action or rights shall be sought or enforced against such party unless and until all rights and remedies against the other's insurer are exhausted and the other party shall be unable to collect such insurance proceeds.

C. The property insurance waiver of subrogation referred to in Section 16.A. above, shall extend to the agents and employees of each party (including, as to Landlord, the Manager). The release and waiver contained in this Section 16 shall be superior to any conflicting provision of this Lease.

17. REMEDIES CUMULATIVE: The rights given to Landlord and Tenant herein are in addition to any rights that may be given to Landlord or Tenant by any statute or under law. Notwithstanding any other provision of this Lease, upon the cancellation or termination of this Lease prior to the maturity of the then current Lease Term or extended Lease Term for any reason other than Tenant's default or Tenant's exercise of its cancellation option under Section 47 of this Lease, Tenant's obligation to pay the deferred and unpaid Base Rent for any period prior to the effective date of such termination, or the Interest thereon, shall be canceled and of no further force and effect.

18. HOLDING OVER: Tenant shall, not later than thirty (30) days prior to the expiration of the Lease Term, notify Landlord in writing of the date on which Tenant will vacate and deliver to Landlord possession of the Premises in the condition as required by the provisions of this Lease. If Tenant remains in possession of the Premises or any part thereof after expiration or other termination of the Lease Term hereof, with or without Landlord's acquiescence, and regardless of whether or not Tenant has notified Landlord thereof as hereinabove provided, Tenant shall be a tenant at will and such tenancy shall be subject to all the provisions hereof, except that the rent due from Tenant for such holdover possession of the Premises, due and payable on a monthly basis, shall be one hundred fifty percent (150%) of the amount of Monthly Payment and Additional Rent paid by or due from Tenant, calculated on a monthly basis, for the last full calendar month in which Tenant occupied the Premises during the Lease Term. Notwithstanding the foregoing, such rent for the portion of the Premises as to which Landlord has notified Tenant that Landlord is negotiating with a bona fide third party prospect to lease shall be two hundred percent (200%) (rather than 150%) of the amount of Monthly Payment and Additional Rent paid by or due from Tenant, calculated on a monthly basis, for the last month in which Tenant occupied the Premises during the Lease Term; but such two hundred percent (200%) rate shall apply only to that portion of the Premises as to which Landlord has notified Tenant that Landlord is negotiating with a bona fide third party prospect or as to which Landlord has executed a lease, and such rate shall be discontinued and shall revert to the above-described one hundred fifty percent (150%) rate at such time as Landlord's negotiations with said bona fide third party prospect terminate without a lease being entered into, unless said negotiations are terminated because of Tenant's failure to vacate the Premises upon the expiration or other termination of the Lease Term. The receipt or collection by Landlord of any Rent or Interest (including but not limited to holdover rent as provided in this Section 18) shall not constitute a waiver of Landlord's right to seek damages from Tenant as a

result of such holdover. There shall be no renewal of this Lease by operation of law. Nothing in this Section shall be construed as a consent by Landlord to the possession of the Premises by Tenant after the expiration of the Lease Term.

19. ENTIRE AGREEMENT - NO WAIVER: This Lease contains the entire agreement of the parties hereto and no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force and effect. The failure of either party to insist in any instance on strict performance of any covenant or condition hereof, or to exercise any option herein contained, shall not be construed as a waiver of such covenant, condition or option in any other instance. This Lease cannot be changed or terminated orally, and can be modified only in writing executed by each party hereto.

20. HEADINGS: The headings in this Lease are included for convenience only and shall not be taken into consideration in any construction or interpretation of this Lease or any of its provisions.

21. NOTICES: Any notice by either party to the other shall be valid only if in writing and shall be deemed to be duly given only if delivered personally, or sent by national overnight delivery service or registered or certified mail, return receipt requested, addressed (i) if to Tenant, (a) after the Commencement Date, at the Premises at the address indicated in Section 1 of this Lease, or (b) prior to the Commencement Date, at 702 North Franklin Street, Tampa, Florida 33602, and (ii) if to Landlord, at Landlord's address set forth above, and with copies to Landlord, c/o Faison, 400 North Ashley Drive, Suite 2500, Tampa, Florida 33602, and to any Mortgagee of which Tenant has or has been given notice, or at such other address for either party as that party may designate by notice to the other. Notice shall be deemed given, if personally delivered or sent by national overnight delivery service, upon delivery thereof, and if mailed, upon the mailing thereof.

22. HEIRS AND ASSIGNS - PARTIES:

A. The provisions of this Lease shall bind and inure to the benefit of Landlord and Tenant, and their respective successors, heirs, legal representatives and assigns, it being understood that the term "Landlord" as used in this Lease means only the owner (or the ground lessee) for the time being of the Property and the Building of which the Premises are a part, so that in the event of any sale of said Property (or of any lease thereof), Landlord named herein shall be and hereby is entirely relieved of all covenants and obligations of Landlord hereunder accruing after a transferee takes possession of the Building and Property, and it shall be deemed without further agreement that the purchaser or the lessee, as the case may be, has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder during the period such party has possession of the Property and Building. Should the Property and all of the Building be severed as to ownership by sale and/or lease, then the owner of all of the Building or lessee of all of the Building that has the right to lease space in the Building to tenants shall be deemed the "Landlord" for the purposes of this Lease.

B. The parties "Landlord" and "Tenant" and pronouns relating thereto, as used herein, shall include male, female, singular and plural, corporation, partnership or individual, as may fit the particular parties.

23. ATTORNEYS' FEES: The prevailing party in any adjudicated dispute between Landlord and Tenant hereunder shall have its reasonable attorneys' fees and court costs paid by the non-prevailing party. Additionally, if Tenant is in default of its obligation to pay any Rent or other amount due and owing under this Lease and Landlord engages an attorney at law to collect such Rent or other amount, Tenant shall pay as Additional Rent (due upon

demand) Landlord's reasonable attorneys' fees and court costs. Tenant shall be responsible for all expenses incurred by Landlord, including, without limitation, attorneys' fees and court costs, that Landlord incurs in any case or proceeding under or related to any bankruptcy or insolvency law in which Tenant is the "debtor". Landlord shall be responsible for all expenses incurred by Tenant, including, without limitation, attorneys' fees and court costs, that Tenant incurs in any case or proceeding under or related to any bankruptcy or insolvency law in which Landlord is the "debtor".

24. TIME OF ESSENCE: Time is of the essence of this Lease.

25. SECURITY DEPOSIT: [Intentionally Omitted]

26. COMPLETION OF THE PREMISES:

A. Landlord shall supervise completion of the work described in Exhibit "C" and Exhibit "D". Any work required by Tenant as provided in said Exhibit "D" shall be performed within the provisions of said Exhibit "D".

B. In addition to the Tenant Improvement Allowance pursuant to Section 26.C. hereof, Landlord will provide to Tenant an allowance (the "Design Fee Allowance") in the amount set forth in Paragraph 5.01 of Exhibit "D" to pay for the development and preparation of space planning, architectural and working drawings by Landlord as well as those necessary mechanical and electrical working drawings based upon Tenant's improvement needs.

C. Landlord shall provide Tenant an improvement allowance (the "Tenant Improvement Allowance") in the amount set forth in Paragraph 5.02 of Exhibit "D", in monthly construction draws to be paid no later than the twentieth (20th) day of each month provided that such draw request was made by the fourth (4th) day of such month. That portion of the Design Fee Allowance and Tenant Improvement Allowance not used for the purposes described in this Section 26 shall be applied as a credit against the first due installments of Monthly Payment.

27. PARKING ARRANGEMENTS: Landlord has no obligation to Tenant to directly provide parking. Notwithstanding the foregoing, as a material inducement to Tenant's execution of this Lease, and as a material obligation of Landlord under this Lease, Landlord shall cause the lessee or operator of the parking garage in the Building (the "Parking Garage") and the lessee or operator of the parking facilities on the blocks located directly south and southeast of the Property (the "Ferman Parking Facilities") to make parking spaces available to Tenant in accordance with the Parking Specifications attached hereto as Exhibit "H". Landlord's obligation under this Section 27 will be satisfied if the lessee or operator of the Parking Garage and the lessee and operator of the Ferman Parking Facilities make parking available to Tenant throughout the term of the Lease, in compliance with the provisions of Exhibit "H".

28. RULES AND REGULATIONS: The Rules and Regulations set forth on Exhibit "F" attached hereto are hereby made a part of this Lease. Landlord may from time to time amend, modify, delete or add new and additional reasonable rules and regulations for the use, safety, cleanliness and care of all leased premises, the Building and the Property. Such new or modified Rules and Regulations shall be uniformly applied to all Building tenants and shall be effective upon notice thereof to Tenant from Landlord, and no such new or modified Rules or Regulations shall apply to Tenant to the extent that such application would materially adversely affect Tenant's use or enjoyment of the Premises. Tenant will cause its employees and agents, or any others permitted by Tenant to occupy or enter the Premises, to at all times abide by the Rules and Regulations set forth on Exhibit "F", or as subsequently modified by Landlord. In the event of any failure by Tenant to fully comply with such Rules and Regulations, upon notice to Tenant and any cure periods

permitted for Tenant hereunder, Landlord shall have all remedies available at law or in equity, including, but not limited to, the right to enjoin any breach of such Rules and Regulations. Landlord shall not be responsible to Tenant for the non-observance by any other tenant or person of any such Rules and Regulations, but Landlord shall exercise reasonable efforts to enforce the Rules and Regulations in a reasonably uniform manner. In the event of any conflict between any provision of this Lease and any provision of the Rules and Regulations, the provision of this Lease shall control.

29. LATE PAYMENTS: Payments of Rent or any other amounts to be paid by Tenant hereunder received more than ten (10) days after said payments are due shall be assessed a charge equal to two percent (2%) of the amount due, to cover Landlord's increased processing and administrative costs associated with such late payment, and shall be assessed an additional two percent (2%) charge for the aforesaid costs of Landlord for each month thereafter until paid in full. Acceptance by Landlord of a payment, and the cashing of a check, in an amount less than that which is currently due shall in no way affect Landlord's rights under this Lease and in no way be or be deemed to be an accord and satisfaction. This provision does not prevent Landlord from declaring the non-payment of Rent or any other amounts to be paid by Tenant hereunder when due an event of default hereunder.

30. ESTOPPEL CERTIFICATES: At any time after the execution of this Lease, Landlord and Tenant shall, within twenty (20) days of the request therefor by the other party, execute, acknowledge and deliver to the requesting party, or any mortgagee or any prospective purchaser or transferee of the requesting party's interest, an estoppel certificate in recordable form, or in such other form as the requesting party may from time to time reasonably require, evidencing (i) whether or not this Lease is in full force and effect; (ii) whether or not this Lease has been amended in any way; (iii) whether or not Tenant has accepted and is occupying the Premises; (iv) whether or not there are any existing defaults hereunder or defenses or offsets against the enforcement of this Lease to the knowledge of said party (specifying the nature of such defaults, defenses or offsets, if any); (v) the date to which Rent, and other amounts due hereunder, if any, have been paid; and (vi) any other information reasonably requested. Each certificate delivered pursuant to this Paragraph may be relied on by the requesting party, by any prospective purchaser or transferee of the requesting party's interest hereunder or of any part of the requesting party's property, by any mortgagee or holder of any portion of the requesting party's interest hereunder, or by an assignee of any such mortgagee or holder. Tenant may not request such estoppel certificate more often than is reasonable, and in no event shall Landlord be obligated to execute, acknowledge or deliver more than ten (10) such estoppel certificates over the Lease Term.

31. SEVERABILITY AND INTERPRETATION:

A. If any clause or provision of this Lease shall be deemed illegal, invalid or unenforceable under present or future laws effective during the Lease Term, then and in that event, the remainder of this Lease shall not be affected by such illegality, invalidity or unenforceability, and, in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there shall be added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

B. Should any of the provisions of this Lease require judicial interpretation, the court interpreting or construing the same shall not apply a presumption that the terms of any such provision shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed most strictly against the party who itself or through its

agent prepared the same, it being agreed that the agents of all parties have participated in the preparation of the stipulations of this Lease.

32. TENANT'S PERSONALTY - RESTRICTION ON DISTRAINT: Notwithstanding any other provision of this Lease or of applicable law to the contrary, Landlord hereby waives and releases all lien rights and right of distraint to any property owned by Tenant or leased to Tenant. Said property of Tenant or in the possession of Tenant may be sold, disposed of or removed by Tenant without substituting new goods or chattels or equal value thereto, and Tenant will be permitted to subject such property to liens, mortgages, charges, licenses or other encumbrances without the prior consent or approval of Landlord.

33. FORCE MAJEURE: Except as otherwise expressly provided in this Lease, Landlord and Tenant shall be excused for the period of any delay and shall not be deemed in default with respect to the performance of any of the terms, covenants, and conditions of this Lease (other than the payment of any sum of money due hereunder) when prevented from so doing by a cause or causes beyond the party's control, which shall include, but shall not be limited to, all labor disputes, governmental regulations or controls, fire or other casualty, inability to obtain any material or services or acts of God.

34. QUIET ENJOYMENT: Landlord shall warrant and defend Tenant in the quiet enjoyment and possession of the Premises during the Lease Term, subject to the terms and conditions of this Lease.

35. BROKERAGE COMMISSION; INDEMNITY: Landlord's leasing agent and CB Commercial Real Estate Group, Inc. ("CB") have sole commission rights with respect to this Lease and Tenant warrants that it has caused no other claims for broker's or agent's commissions or finder's fees in connection with the execution of this Lease. Tenant and Landlord hereby indemnify and hold one another harmless from and against any loss, cost, damage or expense, including, but not limited to, reasonable attorneys' fees and court costs, incurred by one party as a result of any claim made by a broker or agent (other than Landlord's leasing agent and CB) as a result of or in conjunction with any actions of the other party.

36. EXCULPATION OF LANDLORD: Landlord's obligations and liability to Tenant with respect to this Lease shall be limited solely to Landlord's equity interest in the Property, including, without limitation, Building rents, insurance proceeds, and condemnation proceeds, to the extent such Building rents and other proceeds are available to Landlord, and neither Landlord, nor any partner, trustee, officer, director, shareholder or employee of Landlord, shall have any personal liability whatsoever with respect to this Lease. Notwithstanding the foregoing, the liability of Landlord shall not be limited as provided above to the extent of any insurance proceeds or condemnation awards actually received by Landlord and not used or applied as required by the express provisions of this Lease; provided, however, as to any such insurance proceeds or condemnation awards actually received by Landlord and not used or applied as required by this Lease, Tenant's sole remedy will be to cause said insurance proceeds or condemnation awards (or an amount equal to said insurance proceeds or condemnation awards) to be used or applied as required by this Lease.

37. ORIGINAL INSTRUMENT: For the convenience of the parties hereto, any number of counterparts hereof may be executed, and each such counterpart shall be deemed to be an original instrument.

38. FLORIDA LAW: This Lease has been made under and shall be construed and interpreted under and in accordance with the laws of the State of Florida.

39. NO RECORDATION OF LEASE: Without the prior written consent of Landlord, neither this Lease nor any memorandum hereof shall be recorded or placed on public record by or on behalf of Tenant. Without limitation on any other of Landlord's rights hereunder, in the event Tenant breaches this covenant, Tenant hereby irrevocably grants a Power of Attorney to Landlord as Tenant's agent for the purpose of canceling from public record any copy of this Lease, any memorandum hereof or any reference hereto. Tenant agrees that the Power of Attorney granted herein is coupled with an interest, is not revocable and shall survive the death, dissolution, termination or other incapacity of Tenant.

40. SURVIVAL OF TERMS: Any obligations of either party under this Lease which are not fully satisfied or completed as of the date of any termination or expiration of this Lease shall survive the termination or expiration of this Lease, and shall be the continuing obligations of that party until completed or otherwise satisfied.

41. AUTHORIZATION: Each individual executing this Lease does thereby represent and warrant that he has been duly authorized to deliver this Lease in the capacity and for the entity set forth where he signs.

42. RADON GAS: Pursuant to F.S. 404.056(8), Tenant is hereby notified that radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon testing may be obtained from your county public health unit.

43. APPROVAL OF LEASE: This Lease shall not be binding until and unless all parties have duly executed said Lease and a fully executed counterpart of said Lease has been delivered to Landlord and Tenant.

44. SIGNAGE/BUILDING NAME:

A. Except as otherwise herein provided, Landlord shall have the right to name the Building (or permit signage on the exterior of the Building above the ground floor) only for (i) a financial institution leasing at least 25,000 rentable square feet in the Building, including the majority of the first floor "bank lobby" space, (ii) a securities or mortgage brokerage company leasing at least 50,000 rentable square feet in the Building, or (iii) any other tenant (excluding an insurance brokerage or agency, such as Alexander & Alexander) leasing more than 100,000 rentable square feet in the Building. Landlord may provide to any national or regional financial institution operating a retail banking business in the Building signage on the exterior of the Building above the first floor, excluding the ziggurat.

B. Landlord shall permit Tenant to place in the Building Tenant Directory in the lobby area appropriate signage of Tenant's name. Landlord shall permit Tenant to place appropriate signage of Tenant's name in the elevator lobby areas of each floor of the Building on which Tenant leases space. In addition, Tenant shall have the right, at Tenant's sole expense, to place signage (in a manner, style and quality consistent with the existing signage of other Building tenants on other bollards in front of the Building) on the faces of the bollards identified on Exhibit "M" attached hereto.

C. Tenant shall be entitled to comparable signage, on comparable terms and conditions, to that granted by Landlord to any other tenant leasing the same amount (or less) space in the Building as Tenant is leasing, except for lobby or plaza signage for tenants leasing lobby or mezzanine space for retail businesses, including but not limited to retail banking or retail securities or mortgage brokerage businesses, and excluding signage for Landlord's leasing agent for the Building. The locations of the bollard faces

on which Tenant may place signage shall not be considered in determining whether Tenant's signage is comparable to the signage of other tenants.

D. Notwithstanding any other provision of this Lease, in addition to signage Landlord is authorized to provide to other tenants of the Building pursuant to Sections 44.A. and 44.C. above, Landlord may provide signage of any type or location to any Building tenant (other than an insurance brokerage or agency) so long as Landlord offers substantially comparable signage to Tenant at no cost other than the cost of designing, purchasing, installing, maintaining, insuring and removing (including the cost of restoring the surface of the Building where such sign was located) the signage.

45. NO SMOKING: Tenant shall not allow any smoking in the Premises except in rooms designed and constructed to accommodate smoking and to prevent smoke from entering the plenum or any other portion of the Premises or the Building.

46. SATELLITE ANTENNA:

A. Subject to the provisions of Section 56 hereof, Tenant may install, maintain, and use a microwave, satellite or other antenna communications system in the Premises, and such system may include the installation of an antenna dish not larger than one (1) meter in diameter on the roof of the Building (including necessary cabling to the Premises), at locations acceptable to Landlord in Landlord's sole discretion. Tenant shall furnish detailed plans and specifications for such system to Landlord for its consent, which consent shall not be unreasonably withheld. Tenant shall have access to the roof and Tenant's equipment relating to such system at reasonable times throughout the term of this Lease. Tenant shall be responsible for procuring whatever licenses or permits may be required for the use of such system or operation of any equipment served thereby, and Landlord makes no warranties whatsoever as to the permissibility of such a system under applicable laws.

B. Tenant shall install, maintain and repair Tenant's antenna system in a manner as to (i) not constitute a nuisance or unreasonably interfere with the operations of Landlord or other tenants occupying the Building, (ii) not be visible from the exterior of the Building or alter or distract from the lighting or other aesthetic aspects of the Building. Upon termination or expiration of this Lease, Tenant shall remove any antenna dish and related equipment (including but not limited to cabling) installed by it, at Tenant's expense, and shall restore and repair the Building to a condition comparable to its condition prior to such installation. Landlord reserves and shall have the right to relocate said antenna and/or related equipment at Landlord's expense so long as relocation has no adverse impact on the operations of the antenna. Landlord shall also be and is entitled to install and to permit the installation of antennae on the roof of the Building by any person or entity other than Tenant, without Tenant's approval or consent, as long as the installation and/or operation of such other antennae does not materially interfere with the reception or transmission of Tenant's antenna system.

47. RIGHT TO CANCEL: Provided Tenant is not then in default hereunder, or if a default has occurred hereunder, provided Tenant cures such default within the period of notice and/or grace applicable to said default, Tenant shall have the right to terminate this Lease as to all space then leased by Tenant in the Building effective as of any date during the sixth (6th) or eighth (8th) years of the Lease Term, provided that (i) Tenant has given Landlord written notice of Tenant's exercise of its right to terminate at least twelve (12) months prior to the date of such termination, specifying the date of termination (the "Termination Date"), (ii) Tenant pays to Landlord, within thirty (30) days after delivery of said notice of intent to terminate, the "Termination Payment," as hereinafter defined, (iii) Tenant pays to Landlord all

Monthly Payments and other sums due hereunder for the period prior to the Termination Date, and (iv) Tenant pays to Landlord, within thirty (30) days after deliver of said notice of intent to terminate, the unpaid balance of accrued Base Rent and Interest set forth on Schedule 1 to this Lease as of the Termination Date (the "Clause (iv) Amount"). The "Termination Payment" shall be equal to (a) the sum of (1) all unamortized Allowances paid by Landlord under this Lease, plus (2) all unamortized leasing commissions paid by Landlord in connection with this Lease, plus (3) the "Payment Differential" (as hereinafter defined) multiplied by the total rentable square feet then being leased by Tenant in the Building, multiplied by the number of years (or fraction thereof) from the beginning of the Lease Term until the Termination Date (the "Payment Differential Amount"), (b) reduced by the Clause (iv) Amount. For purposes of determining the Termination Payment or the "Contraction Payment" (as defined in Section 48 hereof), "unamortized Allowances" and "unamortized leasing commissions" shall be calculated by multiplying the per rentable square foot amount of said Allowances and leasing commissions paid by Landlord in connection with this Lease by the number of rentable square feet to which said termination or contraction of this Lease applies, and multiplying the resulting product by a fraction, the numerator of which is the difference between the portion of the Monthly Payment for the entire initial Lease Term which remains unpaid as of the Termination Date or Contraction Date and the Payment Differential Amount, and the denominator of which is the total Monthly Payment for the initial Lease Term. For purposes of this Section 47, the "Payment Differential" shall mean the difference between the average annual Monthly Payment per rentable square foot over the entire Lease Term, and the average annual Monthly Payment per rentable square foot over the portion of the Lease Term up to the Termination Date. Early termination of the Lease pursuant to this Section 47 shall not cancel or terminate Tenant's liability for Rent, or other sums due hereunder accruing during or relating to the term of this Lease prior to said early termination. For purposes of all calculations made pursuant to Sections 47, 48 and 53 of this Lease, but only for such purposes, (x) Monthly Payment for the first eight months of the Lease Term shall be deemed to be $297,500.00 higher than the amount reflected in Schedule 1 to this Lease, and (y) the total amount of Allowances paid by Landlord shall be deemed to be $297,500.00 higher than the amount actually paid by Landlord and as set forth in the Lease.

48. OPTION TO CONTRACT THE PREMISES: Provided Tenant is not then in default hereunder, or if a default has occurred hereunder, provided Tenant cures such default within the period of notice and/or grace applicable to said default, Tenant shall have the option to terminate this Lease, as of the "Contraction Date", as hereinafter defined, as to a portion of the space (the "Contraction Space") then leased by Tenant in the Building. The Contraction Space shall be comprised of not less than 2,000, nor more than 14,000, rentable square feet of reasonably configured contiguous space on the 14th or 18th floor of the Building; provided, however that the Contraction Space shall not include any space on any floor of the Building on which Tenant is leasing all of the rentable space on that floor. The "Contraction Date" shall be any date during the first three (3) months of the fourth, sixth or eighth years of the Lease Term, specified by Tenant in the written notice by which Tenant exercises this option to contract the Premises. Tenant may exercise its option to contract the Premises only by written notice to Landlord not later than twelve (12) months prior to the Contraction Date, which Contraction Date and the location and size of the Contraction Space shall be specified in said written notice. Tenant shall pay to Landlord, within thirty (30) days after delivery of said notice by Tenant exercising said option to contract the Premises, (i) the "Contraction Payment," as hereinafter defined, and (ii) the unpaid balance of accrued Base Rent and Interest set forth in Schedule 1 to this Lease as of the Contraction Date, multiplied by a fraction, the numerator of which is the rentable area within the Contraction Space, and the denominator of which is the rentable area within the Premises immediately before the Contraction (the "Clause (ii) Amount"), and

Tenant shall pay to Landlord all Rent and other sums due hereunder for the period prior to the Contraction Date on or before the dates on which such sums are due. The "Contraction Payment" shall be equal to (a) the sum of (1) all unamortized Allowances paid by Landlord under this Lease with respect to the Contraction Space, plus (2) the unamortized leasing commissions paid by Landlord relating to Tenant's leasing of the Contraction Space, plus (3) the "Payment Differential" (as hereinafter defined) multiplied by the rental square feet comprising the Contraction Space, multiplied by the number of years (or fraction thereof) from the beginning of the Lease Term until the Contraction Date (the "Payment Differential Amount"), (b) reduced by the Clause (ii) Amount. Tenant shall also pay for the construction of a demising wall enclosing the remaining space contained in the Premises, if required. For purposes of this Section 48, the "Payment Differential" shall mean the difference between the average annual Monthly Payment per rentable square foot over the entire Lease Term, and the average annual Monthly Payment per rentable square foot over the portion of the Lease Term up to the Contraction Date. Contraction of the Premises pursuant to this Section 48 shall not cancel or terminate Tenant's liability for Rent or other sums due hereunder with respect to the Contraction Space accruing during or relating to the term of this Lease prior to the Contraction Date.

49. RENEWAL OF LEASE:

A. Provided this Lease is then in full force and effect and provided Tenant is not then in default of this Lease, or if a default has occurred hereunder, provided Tenant cures such default within the period of notice and/or grace applicable to said defaults, Landlord hereby grants to Tenant an option to renew this Lease as to all of the Premises (or such portion of the Premises as is then subject to this Lease) for either one (1) additional ten (10) year term, or two (2) consecutive additional five (5) year terms, at ninety-five percent (95%) of "Market Rental Rates" (as hereinafter defined). Tenant may exercise its option to extend the Lease Term only by written notice to Landlord not later than eighteen (18) months prior to the date on which the Lease Term otherwise would expire. Upon such exercise of Tenant's option to extend the Lease Term, Landlord and Tenant shall commence and diligently continue to negotiate in good faith to reach agreement as to Market Rental Rates (or other mutually agreed upon rental rates) for the extended Lease Term. If on or before the date which is sixteen (16) months before the date on which the Lease Term otherwise would expire (a) Landlord and Tenant have not agreed upon Market Rental Rates (or other mutually agreed upon rental rates) for the extended Lease Term, and (b) Tenant has not by written notice to Landlord demanded that Market Rental Rates for the extended Lease Term be determined by arbitration, then Tenant's option to extend the Lease Term shall terminate and be of no further force or effect. If Tenant so demands by written notice to Landlord not later than sixteen (16) months prior to the date on which the Lease Term would expire if not extended, Market Rental Rates for the extended Lease Term shall be determined by arbitration, the cost of which shall be equally divided between Landlord and Tenant except as provided below. The arbitration shall commence within twenty (20) days after Tenant's demand, and be structured to ensure completion not later than twelve (12) months and ten (10) days prior to the date on which the Lease Term would expire if not extended. If Tenant disagrees with the determination of the arbiter, Tenant may withdraw its exercise of the extension option by written notice to Landlord on or before the date which is twelve (12) months prior to the expiration of the then current Lease Term, in which event Tenant shall pay the entire cost of the arbiter and Landlord's reasonable out-of-pocket costs incurred in preparation for and participation in the arbitration, including without limitation, reasonable attorneys' fees (provided, however that the maximum amount Tenant shall be obligated to reimburse Landlord for Landlord's attorneys' fees in connection with any one arbitration shall not exceed the amount equal to $5,000.00 multiplied by a fraction, the numerator of which is the Index (as hereinafter defined) for the month which is three (3)

months before the date on which Tenant reimburses Landlord for such attorneys' fees, and the denominator of which is the Index for the month which is three (3) months before the Commencement Date). "Market Rental Rate" shall mean the then prevailing rental rate for comparable downtown office buildings for a similar size requirement, inclusive of allowances for leasehold improvements, concessions, and other inducements, including without limitation, relocation allowances and brokerage commissions being offered to other tenants of similar financial strength, with consideration for lease term, base years, and operating expenses and taxes. Market Rental Rate shall be determined taking into account and assuming that Landlord would provide relocation allowances and pay brokerage commissions being offered in connection with leases then being offered to other tenants of similar financial strength, with consideration for lease term, base years, and operating expenses and taxes, but, notwithstanding the inclusion of such factors in the determination of Market Rental Rate, Tenant shall receive no relocation allowance in connection with any renewal of the Term of this Lease, and Landlord shall not be obligated to pay more than two percent (2%) of aggregate Monthly Payment as a leasing commission in connection with any renewal of the Term of this Lease. At Tenant's discretion, Tenant may require that all or any portion of the market allowances for leasehold improvements, concessions, and other inducements (excluding relocation allowances and brokerage commissions): (i) be furnished for retrofitting or improving the Premises; or (ii) be retained by Landlord with an offsetting reduction in Monthly Payment during the extended Lease Term. Rent for the extended Lease Term shall be allocated to each year using the constant rental accrual method provided under Section 467 of the Internal Revenue Code.

B. As used in this Lease, "Index" shall mean the revised Consumer Price Index for all Urban Consumers, U.S. City Average, all items (1982-1984 = 100), not seasonally adjusted, published and issued by the Bureau of Labor Statistics of the United States Department of Labor (the "Bureau of Labor Statistics"). If the Index in its present form is discontinued or if the basis on which it is now calculated shall be revised, the parties hereto shall make an appropriate conversion to such revised Index on the basis of conversion factors published by the Bureau of Labor Statistics; if such conversion factors are not so obtainable, either party hereto may request the Bureau of Labor Statistics to provide, when needed, an appropriate conversion or adjustment which shall be applicable and binding on the parties hereto thereafter; if the Bureau of Labor Statistics shall be unable or unwilling to provide such appropriate conversion or adjustment, then another index recognized as authoritative shall in good faith be substituted by Landlord.

50. RIGHT TO FIRST OFFER:

A. Landlord hereby grants Tenant a perpetual right of first offer ("Right of First Offer") to lease any portion of the 18th Floor of the Building, and a perpetual right-of-second offer (after OKRA Marketing Corporation's failure to exercise its right-of-first-refusal hereinafter described) on all of the space on the fourteenth floor of the Building not included in the Premises, except for and excluding 1,000 rentable square feet on the fourteen floor of the Building, upon the terms and conditions (including Monthly Payment per rentable square foot) as contained in the Lease and applicable to the Premises at the pertinent time, including Prorated Allowances, with rent pertaining to such Right of First Offer space allocated to each year using the constant rental accrual method provided under Section 467 of the Internal Revenue Code. Landlord shall notify Tenant of the location and area of the space, and when such space will be available, and Tenant shall have ten (10) business days after receipt of such notice to exercise its right under this right-of-offer. Tenant's exercise or failure to exercise this right-of-first-offer shall not affect Tenant's expansion option described below. If Tenant does not exercise its right of offer with such ten (10) business day period, Landlord may lease the offered space to a third party within six (6) months of

the date of Landlord's notice of offer. If such lease is not fully executed within such six (6) month period, or upon the termination of such lease, Tenant's right of offer shall again apply to such space. If Tenant does exercise its right of first offer as hereinabove provided, any space as to which Tenant has exercised its right of first offer shall become a part of the Premises, and Monthly Payment and Additional Rent for such space shall commence on the earlier of (i) the date Tenant takes occupancy of said space, or (ii) the later of (x) one hundred twenty (120) days after Tenant exercise of its right-of-offer hereunder or (y) sixty (60) days after Landlord makes the space available for construction of Tenant Improvements therein, plus one day for each day of Landlord-caused delay in completing the Tenant Improvements in said space.

B. During the entire term of its lease, OKRA Marketing Corporation ("OKRA") has a right of first refusal to lease the "Right of First Refusal Space" on the same terms as offered to a third party. OKRA has five business days after notice to exercise its right of first refusal. If any material components of the third party offer are changed, OKRA is entitled to a new notice and another five business days to exercise. The Right of First Refusal Space includes the last 9,600 rentable square feet on the 14th floor of the Building, and other space on another floor not pertinent to Tenant's Lease.

51. STORAGE AREA:

A. Landlord hereby leases to Tenant and Tenant hereby rents and leases from Landlord, in addition to the Premises, the following described space, herein called "Storage Space", containing two thousand (2000) square feet of space within the Parking Garage, for use by Tenant for storage during the initial Term of this Lease. The location of the Storage Space is shown on Exhibit "J" attached hereto. Tenant shall pay rent, at the rate of $8.00 per square foot per annum, payable in equal monthly installments, in advance, on the first day of each month of the initial Lease Term, for the use of the Storage Space. Landlord will not provide Tenant any allowances for the improvement of the Storage Space. All costs and expenses required for the improvement, maintenance and operation of the Storage Space during the Lease Term shall be the sole responsibility of Tenant. The Storage Space shall not be included in the calculation of Tenant's Share.

B. If Tenant renews the Term of this Lease as to the Premises, the Term of this Lease shall be renewed for the same period as to the Storage Space, and the rent for the Storage Space during any such extended Lease Term shall be the Market Rental Rate for the Storage Space.

52. RELOCATION ALLOWANCE: Within thirty (30) days after the Commencement Date, provided Tenant has executed and delivered to Landlord a completed "Commencement Date Agreement - Acknowledgement by Tenant" substantially in the form attached hereto as Exhibit "E", Landlord shall pay, as the "Relocation Allowance", five dollars ($5.00) per rentable square foot in the Premises. The Relocation Allowance shall be paid as follows: up to $150,000.00 to the moving company responsible for Tenant's relocation into the Premises, in payment of invoices Tenant has approved in writing to Landlord; and the remainder, if any, shall be credited against the next due installments of Monthly Payment.

53. OPTION TO EXPAND THE PREMISES: Provided Tenant is not then in default hereunder, or if a default has occurred hereunder, provided Tenant cures such default within the period of notice and/or grace applicable to said default, Tenant shall have the option to expand the Premises it is leasing hereunder, as of the "Expansion Date", as hereinafter defined, by adding to the Premises the "Expansion Space", as hereinafter defined. Tenant may exercise its option to expand the Premises only by written notice to Landlord (the "Expansion Notice") not later than twelve (12) months prior to the Expansion Date, which written notice shall specify the

Expansion Date and the number of rentable square feet Tenant desires to be included within the Expansion Space. The "Expansion Date" shall be any date during the first three (3) months of the fourth, sixth or eighth years of the Lease Term, specified by Tenant in the Expansion Notice. The "Expansion Space" shall be a single, reasonably configured, contiguous space located on the eighteenth (18th) floor of the Building and shall contain not more than 14,000 rentable square feet, nor less than the lesser of (i) 2,000 rentable square feet, or (ii) the smallest area on the eighteenth (18th) floor of the Building which is unleased and contained within then existing demising walls on the date Tenant exercises its option to expand the Premises under this Section 53. The location and configuration of the Expansion Space shall be reasonably determined by Landlord. Notwithstanding any other provision hereof, Landlord shall not be obligated to provide to Tenant as an Expansion Space, and Tenant shall not be entitled to lease as an Expansion Space, any space which if leased to Tenant would leave Landlord with any contiguous unleased space on the eighteenth (18th) floor of the Building containing less than 1000 rentable square feet, unless Tenant agrees to include said contiguous unleased space containing less than 1000 rentable square feet in the Expansion Space. Tenant shall pay Monthly Payment for use of the Expansion Space at the then current rate of Monthly Payment per rentable square foot applicable to the Premises under the Lease and such rate of Monthly Payment shall increase from time to time as provided in the Lease. Landlord shall provide to Tenant with respect to the Expansion Space, on a per rentable square foot basis, a Tenant Improvements Allowance, a Design Fee Allowance, a Parking Allowance and a Relocation Allowance (collectively, the "Expansion Allowances"), except that the Expansion Allowances shall be reduced by multiplying the per rentable square foot amount of said allowances provided in the Lease with respect to the initial Premises by a fraction, the numerator of which is the remaining unpaid Monthly Payment due during the initial Lease Term as of the Expansion Date, and the denominator of which is the total Monthly Payment for the initial Lease Term (the "Prorated Allowance"). At Tenant's discretion, Tenant may require that all or any portion of the Prorated Allowance: (i) be furnished for improvement of the Expansion Space; or (ii) be retained by Landlord with an offsetting reduction in Monthly Payment during the remaining Lease Term. Rent pertaining to the Expansion Space shall be allocated to each year using the constant rental accrual method provided under Section 467 of the Internal Revenue Code. On or before the Expansion Date, Tenant shall use reasonable efforts to obtain from the City of Tampa a valid building permit for the Tenant Improvements to said Expansion Space, and Tenant shall use reasonable efforts to commence (and thereafter diligently pursue to completion) construction of said improvements to said Expansion Space within five (5) days after the Expansion Date; any delay by Tenant in obtaining a building permit beyond the Expansion Date or commencing and diligently pursuing construction shall be a "Tenant Delay," as that term is defined in Exhibit "D" of the Lease. Rent for the Expansion Space shall commence five (5) days after substantial completion of said Expansion Space, or in the event of Tenant Delay, five (5) days after the date such substantial completion have been achieved except for such Tenant Delay.

54. FOOD SERVICE: Landlord shall exercise reasonable diligence to maintain in the Building a restaurant or cafe appropriate for a first class downtown office building, open during reasonable hours on Mondays through Fridays, except holidays. The failure of Landlord to maintain such a restaurant or cafe in the Building shall not be a default by Landlord of Landlord's obligations under this Lease, nor shall such failure entitle Tenant to (i) any abatement of Rent or other sum due to Landlord under this Lease, or (ii) terminate or modify any of Tenant's obligations under this Lease.

55. EXCLUSIVE USE ON FOURTEENTH FLOOR: Landlord shall not lease space, nor permit any sublease or assignment of space, on the fourteenth (14th) floor of the Building to any insurance brokerage

or agency or any other tenant of which sells insurance (other than title insurance), without Tenant's prior written consent.

56. TELECOMMUNICATIONS:

A. Tenant and Tenant's telecommunications companies, including but not limited to local exchange telecommunications companies and alternative access vendor services companies ("Telecommunications Companies"), shall have no right of access to and within the Property or the Building, for the installation and operation of telecommunications systems including but not limited to voice, video, data, and any other telecommunications services provided over wire, fiber optic, microwave, wireless, and any other transmission systems, for part or all of Tenant's telecommunications within the Building, and from the Building to any other location (hereinafter collectively referred to as "Telecommunications Systems"), without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, but which consent may be subject to such conditions as Landlord may reasonably impose. Provided, however, Landlord hereby licenses Tenant and through Tenant, its Telecommunications Companies approved in advance in writing by Landlord prior to the commencement of any work, the right to install, repair and maintain Tenant's Telecommunications Systems at Tenant's sole cost and expense, to the extent the same are depicted on the attached schedule of plans, schematics, and specifications marked as Exhibit "C", subject to such conditions as Landlord may reasonably impose. Landlord agrees that it will not unreasonably withhold its approval of Tenant's Telecommunications Companies, and that it will approve Fairchild Communications Services Company, MFS, ICI and/or GTE as Tenant's Telecommunications Companies, subject to said companies' entering into agreements acceptable to Landlord governing the conditions of said companies' access to and within the Building for the installation and operation of Telecommunications Systems. Landlord further agrees that it will negotiate in good faith with Tenant's approved Telecommunications Companies with respect to agreements between Landlord and said Telecommunications Companies for access to and within the Property or the Building, for the installation and operation of Telecommunications Systems.

B. If at any time hereafter, Tenant's Telecommunications Companies or appropriate governmental authorities relocate the point of demarcation from the location of Tenant's telecommunications equipment in the Tenant's telephone equipment room on Tenant's floor ("Rate Demarcation Point" or "RDP"), to some other point, or in any other manner transfer any obligations or liabilities for telecommunications to the Landlord or Tenant, whether by operation of law or otherwise, upon Landlord's election, Tenant shall, at Tenant's sole expense and cost: (1) within thirty (30) days after notice is first given to Tenant of Landlord's election, cause to be completed by an appropriate telecommunications engineering entity approved in advance in writing by Landlord, all details of the Telecommunications Systems serving Tenant in the Building which details shall include all appropriate plans, schematics, and specifications; and (2) immediately undertake the operation, repair and maintenance of the Telecommunications Systems serving Tenant in the Building; and (3) promptly upon the termination of the Lease for any reason, or upon expiration of the Lease, effect the complete removal of all or any portion or portions of the Telecommunications Systems serving Tenant in the Building and the repair of any damage to the Building caused by the installation, use maintenance or removal of said Telecommunications Systems serving Tenant in the Building.

Prior to the commencement of any alterations, additions, or modifications to the Telecommunications System serving Tenant in the Building, except for minor changes, Tenant shall first obtain Landlord's prior written consent by written request accompanied by detailed plans, schematics, and specifications showing all alterations, additions and modifications to be performed, with a time schedule for completion of the work and the identity of the

entity which will perform the work, for which Landlord shall not unreasonably withhold consent, but which consent may be subject to such conditions as Landlord may reasonably impose.

C. Without limiting Landlord's right to reasonably withhold its consent to a proposed request for access, or addition, alteration, or modification of the Telecommunications System serving Tenant in the Building, the withholding of such consent will be deemed reasonable if:

(i) In the reasonable judgment of Landlord, the proposed actions of the Tenant and its Telecommunications Company causes new obligations to be imposed on Landlord, causes any exposure of Landlord to any liability of any nature or description, causes Landlord's insurance premiums for the Building to increase (unless Tenant agrees in writing to reimburse Landlord for the amount of such increase in Landlord's insurance premiums), causes Landlord's insurance coverage to be imperiled, or causes liabilities for which Landlord is unable to obtain insurance protection;

(ii) In the reasonable judgment of Landlord, the Tenant's Telecommunications Company is unwilling to pay reasonable monetary compensation for the use and occupation of the Building for the Telecommunications System, provided Landlord shall not charge Tenant's Telecommunications Company more than Landlord would seek to charge any other Telecommunications Company requesting an agreement with Landlord at that time for similar access to the Building;

(iii) In the reasonable judgment of Landlord, the Tenant's Telecommunications Company would cause any work to be performed that would materially and adversely affect the Property and Building or any space in the Building in any manner;

(iv) Tenant encumbers or mortgages its interest in any telecommunications wiring or cabling, whether copper, fiber, or through any other type connectivity; or

(v) Tenant is in default under this Lease, beyond applicable grace and cure periods.

D. Tenant will indemnify and hold harmless Landlord and its employees, agents, officers, and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of any kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to the acts and omissions of Tenant, Tenant's officers, directors, employees, agents, contractors, subcontractors, subtenants, and invitees with respect to (1) and Telecommunications Systems serving the Tenant in the Building which are on, from, or affecting the Property and Building; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to any Telecommunications Systems serving the Tenant in the Building which are on, from, or affecting the Building; (3) any lawsuit brought or threatened, settlement reached, or governmental order relating to such Telecommunications Systems; (4) any violations of laws, orders, regulations, requirements, or demands of governmental authorities, or any reasonable policies or requirements of Landlord, which are based upon or in any way related to such Telecommunications Systems, including, without limitation, attorney and consultant fees, court costs, and litigation expenses. This indemnification and hold harmless agreement will survive this Lease. Under no circumstances shall the Landlord be required to maintain, repair or replace any Telecommunications Systems or any portions thereof. Under no circumstances shall the Landlord be liable for interruption in telecommunications services or surges, or for any other cause whatsoever (except for Landlord's gross negligence or willful misconduct), whether by Act of God or otherwise, even if the same

is caused by the ordinary negligence of Landlord, the Landlord's contractors, subcontractors, or agents or other Tenants, subtenants, or their contractors, subcontractors, or agents.

57. INTERNAL STAIRWAYS: Landlord shall permit Tenant to use Building stairways for access between floors of the Premises, provided Tenant complies with applicable fire and building codes and such rules and regulations as Landlord may reasonably impose. Tenant shall pay to Landlord, as Additional Rent, any additional costs or expenses incurred by Landlord because of such use of the stairways by Tenant or by Tenant's employees, agents, contractors or invitees, which additional costs or expenses Landlord would not incur if Landlord did not permit Tenant to use the Building stairways for access between adjacent floors of the Premises; provided, however, that this sentence shall not be construed to apply to any liability for injury, expense, damage, liability or claim resulting from Landlord's negligence or Landlord's failure to maintain said stairways as provided by the express provisions of this Lease. Tenant shall be solely responsible for the installation and maintenance of locks and keys for the doors providing ingress to and egress from the stairways on the floors of the Building on which the Premises are located, the design and operation of which locks and keys shall be subject to such requirements as Landlord may reasonably impose. As a material condition to Landlord's agreement to allow the use of Building stairways for access between floors of the Premises by Tenant and Tenant's employees, agents, contractors or invitees, Tenant agrees that Landlord shall have no liability for, and Tenant releases Landlord from any liability for, any injury, expense, damage, liability or claim, whether due to damage to the Premises, claims for injuries to the person or property of Tenant, or administrative or criminal action by a governmental authority, where such injury, expense, damage, liability or claim results either directly or indirectly from the use of Building stairways by Tenant or Tenant's employees, agents, contractors or invitees, unless such injury, expense, damage, liability or claim results from Landlord's negligence or Landlord's failure to maintain said stairways as provided by the express provisions of this Lease. Landlord shall have no obligation to monitor, inspect or maintain the Building stairways at a level greater than Landlord's obligation would be if Landlord did not if allow the use Building stairways for access between floors of the Premises by Tenant and Tenant's employees, agents, contractors or invitees. Tenant shall promptly notify Landlord of any condition in the Building stairways requiring repair or maintenance. Tenant hereby indemnifies and holds Landlord harmless from and against any injury, expense, damage, liability or claim, including, but not limited to, court costs and attorneys' fees, imposed on Landlord by any person whomsoever, whether due to damage to the Premises, claims for injuries to the person or property of any other tenant of the Building or the Property or of any other person in or about the Building or the Property for any purpose whatsoever, or administrative or criminal action by a governmental authority, where such injury, expense, damage, liability or claim results either directly or indirectly from the negligent or improper use of Building stairways by Tenant or Tenant's employees, agents, contractors or invitees. Landlord may terminate Tenant's right to use the Building stairways for access between adjacent floors of the Premises if Landlord incurs material additional costs, expenses or liabilities because of such use for which Tenant does not fully compensate Landlord, or if, after reasonable notice to Tenant, Tenant's employees, agents, contractors or invitees continue to smoke in the stairwells or otherwise violate Landlord's reasonable rules and regulations regarding such use of the stairwells.

(Signatures begin on following page.)

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals on the day and year first above written.

Signed, sealed and delivered in the presence of:

/s/ Wayne H. Carter, III

/s/ Thomas G. Cole

/s/ Brenda L. McGehee

/s/ David J. Powell
---

*TENANT:

POE & BROWN, INC., a Florida corporation

By: /s/ Bruce G. Geer
---(SEAL)
Name: Bruce G. Geer

As Its: Executive Vice President

By: /s/ Laurel J. Lenfestey
---(SEAL)
Name: Laurel J. Lenfestey

As Its: Secretary

Note: * If Tenant is a corporation, two authorized corporate officers must execute this Lease in their appropriate capacity for Tenant, affixing the corporate seal.

(CORPORATE SEAL)

Following execution, four (4) original counterparts of this Lease shall be returned to Landlord.

LANDLORD:

SOUTHEAST FINANCIAL CENTER ASSOCIATES, a Florida general partnership

By: LANDMARKS-CPL I, Ltd., a Georgia limited partnership, as a general partner

By: LANDMARK SEVENTY, L.P., a Georgia limited partnership, as the sole general partner of Landmarks-CPL I, Ltd.

By: THE LANDMARKS GROUP PROPERTIES CORPORATION, a Georgia corporation, as the sole general partner of Landmark Seventy, L.P.

Signed, sealed and delivered in the presence of:

/s/ Tracy O'Connor

/s/ Candice Thomas

By: /s/ Henry Faison

Its: Chairman of the Board

Attest: /s/ Elizabeth M. Steed

Its: Asst. Secretary

(CORPORATE SEAL)

EXHIBIT 10(n)

PROMISSORY NOTE

$250,000.00 JANUARY 20, 1995

FOR VALUE RECEIVED, the undersigned, WILLIAM F. POE, SR. (the "Maker"), promises to pay to the order of POE & BROWN, INC. (the "Payee") in lawful money of the United States of America, the principal sum of Two Hundred Fifty Thousand Dollars ($250,000.00), together with interest at the rate of 7.125% per annum (the London Interbank Offer Rate ("LIBOR") rate for a six-month interest period as published in The Wall Street Journal on Tuesday, January 17, 1995, plus .5%) on the outstanding principal balance thereof, such sum to be paid in full no later than July 20, 1995.

All payments hereunder shall be made to the Payee in immediately available funds at 220 South Ridgewood Avenue, Daytona Beach, Florida 32115 or at such other address in the United States as the Payee may designate.

This Note may be prepaid at any time in whole or in part without premium or penalty.

In the event that the Maker shall make an assignment for the benefit of creditors, or shall admit in writing his inability to pay his debts as they become due, or shall file a voluntary petition in bankruptcy, or shall be adjudicated bankrupt, or shall file any petition or answer seeking an arrangement, composition, readjustment of similar relief with creditors under any present or future statute, or shall file any answer admitting or not contesting the material allegations filed against him in such proceeding, or shall seek to or consent to or acquiesce in the appointment of any trustee or receiver for himself for all or any substantial part of his properties, or is the subject of any other bankruptcy, insolvency or similar proceeding which is not discharged within sixty (60) days of the filing thereof, then, upon the occurrence of any such event, the total unpaid principal amount owing hereunder may be declared immediately due and payable at the option of the Payee by written notice to the Maker, whereupon all such amounts shall become immediately due and payable without presentment, demand for payment, notice of dishonor, protest or any other notice of any kind, all of which are hereby expressly waived by the Maker.

If the principal of this Note or any portion hereof shall not be paid when due, whether by acceleration or otherwise, the same shall bear interest for any period during which the same shall be overdue at the rate of twelve percent (12%) per annum.

The acceptance by the holder of any installment of principal or interest after any default hereunder shall not operate to extend the time of payment of any amount then remaining unpaid hereunder or constitute a waiver of any of the other rights of the holder hereunder.

In the event the indebtedness evidenced by this Note is not paid when due, the Maker agree to pay all costs of collection incurred by Payee, including reasonable attorneys' fees.

It is understood and agreed that the Maker shall be jointly and severally liable for all obligations evidenced by or arising pursuant to this Promissory Note.

This Note shall be governed by and construed in accordance with the laws of the State of Florida and, at Payee's option, suit may be brought to enforce payment hereof in the Circuit Court in and for Volusia County, Florida.

It is understood and agreed that the loan transaction giving rise to the obligation represented by this Promissory Note is subject to and contingent upon the approval of the Board of Directors of Poe & Brown, Inc. at its regular meeting on January 20, 1995. In the event that the Board does not approve the loan transaction, any monies supplied to Poe in connection with this transaction shall be immediately returned to Poe & Brown, Inc., and, effective upon Poe & Brown, Inc.'s receipt of such funds, this Promissory Note, and any other agreements memorializing this transaction shall be deemed null and void.

IN WITNESS WHEREOF, the undersigned Maker has executed this Promissory Note as of the date below written.

WITNESS:

/s/ Laurel J. Lenfestey

WILLIAM F. POE, SR.

/s/ William F. Poe, Sr.

William F. Poe, Sr.

Dated: 1-19-95

SECURITY AGREEMENT

THE UNDERSIGNED, WILLIAM F. POE, SR. ("Poe"), a resident of the State of Florida, with his principal place of business at 100 North Ashley Street, Suite 504, Tampa, Florida 33602, hereby grants to POE & BROWN, INC. ("Poe & Brown"), a Florida corporation, a security interest in the property described in Schedule A attached hereto and made a part hereof (hereafter called "Collateral").

1. Background; Grant of Security Interest. This Agreement is entered into in connection with that certain Promissory Note dated of even date herewith among Poe & Brown and Poe (the "Note"). Under the Note, Poe is required to make a payment in the future to Poe & Brown. Poe hereby grants to Poe & Brown a first lien on, in, to, and under the Collateral as collateral security for the prompt and complete performance by Poe of the Obligations as defined in Paragraph 2. The purpose of this Agreement is to collateralize Poe's performance of the Obligations by granting a security interest in the Collateral.

2. Obligations Defined. This Grant is made for the purpose of securing payment of the following obligations of Poe to Poe & Brown (collectively, the "Obligations").

(a) A promissory note of even date herewith executed by Poe and made payable to Poe & Brown, a copy of which is attached hereto as Schedule "B" and incorporated herein; and

(b) Any and all extensions and renewals of or substitutes for any of the foregoing indebtedness, obligations, and liability or any part thereof.

3. Representations and Warranties. Poe represents, warrants, and agrees as follows:

(a) Poe's chief place of business is the address shown above, and Poe shall promptly give Poe & Brown written notice of any change. The security interest granted herein shall attach to the Collateral no matter where it may be located.

(b) Upon demand, Poe shall execute and deliver to Poe & Brown such papers as may be necessary or appropriate to establish and maintain a valid perfected first priority security interest in the Collateral.

(c) All information supplied and statements made by or on behalf of Poe in any financial, credit, or accounting statement or application for credit prior to, contemporaneous with, or subsequent to the execution of this Agreement are and shall be true, correct, complete, valid and genuine.

(d) Poe may not sell, lease, pledge, or further encumber or dispose of the Collateral without the prior written consent of Poe & Brown, which consent shall not be unreasonably withheld.

4. Affirmative Covenants. Poe covenants and agrees that, from the date hereof until full payment of the Obligations, or until earlier expiration or termination of the Obligations in accordance with the terms thereof, unless Poe & Brown otherwise agrees in writing, Poe shall:

(a) With respect to obligations arising after January 20, 1995, pay and discharge all taxes, general and special, charges and assessments, and other governmental obligations, which may have been or shall be levied, charged, or assessed on or against the Collateral before they become delinquent and pay and discharge on or before their due date any and all other lawful claims and demands whatsoever with respect to the collateral;

(b) Allow Poe & Brown for reasonable business purposes by or through any of their officers, agents, attorneys, or accountants designated by them for the purpose of ascertaining whether or not each and every provision hereof and of any related agreement, instrument, and document is being performed and for the purpose of examining the Collateral and the records relating thereto, to enter the offices of Poe to examine or inspect any of the properties, books, and financial records relating to the Collateral, and to discuss the affairs, finances, and accounts (relating to the Collateral) with Poe all at such reasonable times.

(c) Defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein that arise from acts or events subsequent to the Closing of the Note and, in the event Poe & Brown's security interest in the Collateral, or part thereof, would be impaired by an adverse decision, if Poe does not contest or defend such claim or demand, allow Poe to contest or defend any such claim or demand in Poe' name and pay, upon demand, Poe & Brown's reasonable costs, charges, and expenses, including, without limitation, attorneys' fees, incurred by Poe & Brown in connection therewith;

(d) Keep complete and accurate books and records reflecting all facts concerning the Collateral, and pertaining to the Obligations and Poe' covenants under this Agreement;

(e) Comply with all laws, ordinances, and rules and regulations applicable to the Collateral and operation of the business associated therewith of any Federal, state, or local government or any instrumentality or agency thereof;

(f) Promptly advise Poe & Brown of the happening of an Event of Default or the existence of a state of facts which by the passage of time, the giving of notice, or both, would constitute an Event of Default.

5. Events of Default. Subject to the provisions of the Note, Poe will be in default upon any of these events or conditions (hereafter called an "Event of Default"):

(a) Failure to make punctual payment when due of any of the Obligations or a material breach of this Agreement, the Note or the Note;

(b) Sale or assignment or further encumbrance (except as authorized by this Agreement), of the Collateral or any interest in the Collateral or the filing of suit for the purpose of or the making of any levy, seizure, or attachment thereof or thereon; or

(c) Poe's insolvency, forfeiture of right to do business, business failure, appointment of a receiver of any part of the property of, the calling of any meeting of, or the assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Poe.

6. Remedies.

(a) Prior to exercising any remedy or action based on an Event of Default, Poe & Brown shall be required to notify Poe of the Event of Default, and Poe shall have ten (10) days from Poe's receipt of notice of the Event of Default within which to cure an Event of Default. The notice shall be sent in writing and shall specify the nature of the Event of Default. If Poe fails to cure the default within such ten (10) day period, Poe & Brown may declare all or any of the Obligations immediately due and payable and will have the rights and remedies of a secured party under the Uniform Commercial Code of Florida and otherwise including, without limitation, the

right to take possession of the Collateral, and no such action shall operate as a waiver of any other right or remedy of Poe & Brown under the terms hereof, any other agreement, instrument or document executed and delivered to Poe & Brown pursuant to the terms hereof, or the law, all rights and remedies of Poe & Brown being cumulative and not alternative.

(b) No act, delay, omission or course of dealing between Poe and Poe & Brown will be a waiver of any of Poe & Brown's rights or remedies under this Agreement and no waiver, change, modification or discharge in whole or in part of this Agreement or of any of the Obligations will be effective unless in a writing signed by Poe & Brown. A waiver by Poe & Brown of any rights or remedies under the terms of this Agreement or with respect to any of the Obligations on any occasion will not be a bar to the exercise any right or remedy on any subsequent occasion. All rights and remedies of Poe & Brown hereunder are cumulative and may be exercised singly or concurrently and the exercise of any one or more of them will not be a waiver of any other.

7. Notices. Any and all notices required or permitted to be given under this Agreement may be given to the parties to this Agreement by United States mail at their respective addresses appearing in the Note or by manual delivery. Notice given by mail shall be deemed given when deposited in the United States mail properly addressed with first class postage, prepaid and mailed by certified mail, return receipt requested.

8. Miscellaneous.

(a) Entire Agreement and Amendments. This Agreement and the Promissory Note collectively set forth the entire understanding of the parties hereto, superseding all prior agreements, and no modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement subscribed by Poe & Brown and the duly authorized officers of all of the corporate parties.

(b) Captions. The titles and captions contained herein are for convenience only and shall not be deemed a part of the text of this Agreement.

(c) Prevailing Parties. The parties hereto agree that in the event it becomes necessary for either party to seek judicial remedies for the breach or threatened breach of this Agreement, the prevailing party in any such action shall be entitled, in addition to all other remedies, to recover from

the non-prevailing parties all costs of such judicial action, including reasonable attorneys' fees both at the trial court and appellate court level.

(d) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and shall be binding upon the parties who executed the same, but all of such counterparts shall constitute one and the same agreement.

(e) Waiver. No delay or failure of Poe & Brown in exercising any right, power or privilege hereunder shall affect such right, power or privilege, nor shall any single or partial exercise preclude any further exercise thereof or the exercise of any other rights, powers or privileges.

(f) Survival. The Agreement, the security interest hereby granted to Poe & Brown by Poe and every representation, warranty, covenant, promise and other term herein contained shall survive until the Obligations have been paid in full or until the Obligations otherwise terminate or expire in accordance with the terms hereof.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that Poe shall not assign, voluntarily, by operation of law or otherwise, any of its rights hereunder without the prior written consent of Poe & Brown and any such attempted assignment without such consent shall be null and void.

(h) Termination. At such time as the Obligations are paid in full, Poe & Brown shall execute any and all termination statements and other documents, in form for filing or recording, as shall be required to eliminate its security interest in the Collateral.

(i) Agreement Subject to Board Approval. Notwithstanding any other provision contained herein, it is understood and agreed that the loan transaction memorialized by this Agreement is subject to and contingent upon the approval of the Board of Directors of Poe & Brown at its regular meeting on January 20, 1995. In the event that the Board does not approve the loan transaction, any monies supplied to Poe in connection with the transaction shall be immediately returned to Poe & Brown, and, effective upon Poe & Brown's receipt of such funds, any agreements memorializing the transaction shall be deemed null and void, and without further effect.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by a duly authorized officer this 20th day of January, 1995.

WITNESSES:

/s/ Laurel J. Lenfestey

/s/ Timothy L. Young
---
as to Poe & Brown

/s/ Laurel J. Lenfestey

/s/ Timothy L. Young
---
as to Poe

POE & BROWN, INC.

By: /s/ J. Hyatt Brown

J. Hyatt Brown
President

Date: January 20, 1995

WILLIAM F. POE, SR.

/s/ William F. Poe, Sr.

William F. Poe, Sr.

SCHEDULE A

Twenty Thousand (20,000) shares of Poe & Brown, Inc. Common Stock, as represented by Certificate No(s). POBR 1397, supplied to Poe & Brown, Inc. together with executed stock powers pertaining to same.

EXHIBIT 11

STATEMENT RE: COMPUTATION OF PER SHARE EARNINGS

	YEAR ENDED DECEMBER 31,		
	1994	1993	1992
	(IN THOUSANDS, EXCEPT PER SHARE DATA)		
Average shares outstanding	8,447	8,295	8,265
Net effect of dilutive stock options, based on the treasury stock method	77	130	158
Total shares used in computation	8,524	8,425	8,423
Income from continuing operations	$13,285	$8,003	$ 4,141
Loss from discontinued operations, net of taxes	--	--	(1,580)
Net income	$13,285	$8,003	$ 2,561
Income (loss) per share:			
Continuing operations	$ 1.56	$ 0.95	$ 0.49
Discontinued operations	--	--	(0.19)
Net income	$ 1.56	$ 0.95	$ 0.30

EXHIBIT 13

SELECTED FINANCIAL DATA

(in thousands of dollars and shares, except per share data)	Year Ended December 31, 1994	1993	1992	1991	1990
Commissions and fees (1)	$ 93,826	$ 92,350	$ 86,127	$ 79,859	$ 77,494
Total revenues (2)	$ 99,507	$ 95,570	$ 89,310	$ 82,999	$ 79,698
Total expenses	$ 79,155	$ 82,638	$ 80,989	$ 72,196	$ 69,946
Income before taxes and loss from discontinued operations	$ 20,352	$ 12,932	$ 8,321	$ 10,803	$ 9,752
Income from continuing operations	$ 13,285	$ 8,003	$ 4,141	$ 6,681	$ 6,085
Net income (2,3)	$ 13,285	$ 8,003	$ 2,561	$ 5,876	$ 5,895
Income per share from continuing operations	$ 1.56	$ .95	$ .49	$ .81	$ .73
Net income per share (2,3)	$ 1.56	$ .95	$ .30	$ .71	$ .71
Weighted average number of shares outstanding	8,524	8,425	8,423	8,243	8,285
Dividends paid per share	$ .42	$ .40	$ .40	$ .32	$ .32
Total assets	$ 139,335	$ 133,329	$ 127,591	$ 114,818	$ 119,413
Long-term debt	$ 7,430	$ 17,316	$ 18,423	$ 18,687	$ 14,594
Shareholders' equity (4)	$ 44,044	$ 27,218	$ 21,319	$ 22,291	$ 18,057

(1) See Note 3 to consolidated financial statements for information regarding business purchase transactions which impact the comparability of this information.

(2) During 1994 the Company sold 150,000 shares of its investment in the common stock of Rock-Tenn Company for $2,314,000, resulting in a net after-tax gain of $1,342,000, or $.16 per share.

(3) During 1994 the Company reduced its general tax reserves by $700,000, or $.08 per share, as a result of reaching a settlement agreement with the Internal Revenue Service on certain outstanding examination issues. See Note 9 to consolidated financial statements.

(4) Shareholders' equity as of December 31, 1994 increased $5,341,000 as a result of the Company's adoption of SFAS 115, "Accounting for Certain Investments in Debt and Equity Securities." See Note 1 to consolidated financial statements.

[GRAPH See Appendix] [GRAPH See Appendix] [GRAPH See Appendix]

POE & BROWN AT A GLANCE

Poe & Brown, Inc. is ranked as the 12th largest insurance agency in the nation and the 19th largest world-wide by BUSINESS INSURANCE

[GRAPH]

The above graph shows revenues by division.

National Programs

The National Programs Division works with insurers to develop proprietary insurance programs for targeted market segments, promotes those programs through a variety of channels and distributes them through independent agent networks.

PROGRAMS AND SUBSIDIARIES

- Automobile Dealers Protector Plan
- Health Care Insurers, Inc.
- Insurance Administration Center
- Jordan, Roberts & Co.
- Lawyer's Protector Plan(R)
- Optometric Protector Plan(R)
- Physicians Protector Plan(R)
- Professional Protector Plan(R)
- Professional Services Program
- Towing Operators Protector Plan(R)
- Underwriters Services, Inc.

- OFFICE LOCATIONS

Colorado Springs, CO	Orlando, FL
Glastonbury, CT	Tampa, FL

- AGENCIES AND BROKERS

National Programs distribution system is actually several networks, comprised of 273 independent insurance agencies and over 2,000 brokers operating in all 50 states, plus the District of Columbia, Puerto Rico and the U.S. Virgin Islands. Each network is specially structured to serve a specific niche professional or industry group.

[GRAPHIC described above]

Retail Operations

The Retail Operations Division provides commercial property and casualty insurance for medium and large accounts, as well as for small commercial and individual clients. Products range from personal insurance programs to the complexities of large commercial clients.

PROGRAMS AND SERVICES

- Property and casualty insurance for commercial and industrial operations of all types

- Personal insurance

- Workers' compensation

- Inland and wet marine

- Employee benefit plans

- Bonds

OFFICE LOCATIONS

Phoenix, AZ	Naples, FL
San Francisco, CA	Orlando, FL
Brooksville, FL	Sarasota, FL
Daytona Beach, FL	Tampa, FL
Fort Lauderdale, FL	West Palm Beach, FL
Fort Myers, FL	Winter Haven, FL
Jacksonville, FL	Atlanta, GA
Kissimmee, FL	Clark, NJ
Leesburg, FL	Somerset, NJ
Melbourne, FL	Charlotte, NC
Miami, FL	Houston, TX

Brokerage Operations

The Brokerage Operations respond to the specialized needs of independent agents and brokers through two operating subsidiaries.

HALCYON UNDERWRITERS, INC.

- Provides wholesale insurance to more than 100 retail insurance agencies in Florida, 50 in Georgia and 50 in Alabama.

- Provides commercial coverage for restaurants, contractors, wholesalers and manufacturers.

- Specializes in umbrella policies and inland marine coverage.

- Provides casualty insurance for situations normally considered high hazard risks.

MACDUFF UNDERWRITERS, INC.

- Acts as an intermediary, broker and wholesaler for standard carriers and excess and surplus line carriers. It specializes in placing difficult product liability, general liability and property coverages.

- Also acts as a managing general agent for programs that insure service stations, automobiles, trucking companies, property and general liability risks.

OFFICE LOCATIONS

Daytona Beach, FL	Orlando, FL

Service Operations

The Service Operations respond to the needs of companies who conduct their own self-insurance programs.

UNITED SELF-INSURED SERVICES

- Administers workers' compensation coverage for some 2,000 self-insured employers with a combined payroll of $1.7 billion.

- Handles claims, loss control services, rehabilitation, safety inspections, cost containment and related services.

POE & BROWN BENEFITS

- Provides employee benefits consultation and third-party administration of self-insured employee benefit plans.

- Services include benefit plan design and analysis, self-insured cost analysis, rate setting, claims analysis and utilization. Third-party administration includes claims adjudication, benefit analysis and administration using advanced software.

- Clients include hospitals, nursing homes, municipalities, manufacturers, hotels and motels, auto dealerships, retailers, professional service firms and purchasing coalitions.

OFFICE LOCATIONS

Daytona Beach, FL Orlando, FL

Poe & Brown's Retail, Brokerage and Service Operations serve a vast array of clients through sales offices located in seven states.

[MAP described above]

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

General

The Company's revenues are principally comprised of commissions paid by insurance companies, fees paid directly by clients, and investment income. Commission revenues generally represent a percentage of the premium paid by the insured and are materially affected by fluctuations in premium rate levels charged by insurance underwriters and available insurance capacity. Revenues are also affected by acquisitions, development of new and existing association programs, and fluctuations in insured values and in the volume of business from new and existing clients. Contingent commissions are paid to the Company by insurance carriers based upon the volume and profitability of the business placed with such carriers by the Company.

Fee revenues are substantially generated by the Service Operations Division whereby the Company offers administration and benefit consulting services primarily in the workers' compensation and employee benefit self-insurance markets. Florida's legislative reform of workers' compensation insurance, as well as certain market reforms, have resulted in increased competition for this service sector. In response to the increased competition, the Company has offered value-added services which enabled it to maintain 1994 fee revenues at a level consistent with that recognized in 1993. For each of the years 1994 and 1993, fee revenues represented 10% of total revenues, and 8% of total revenues in 1992.

Investment income consists principally of gains and losses from sales of investments, as well as interest earnings on premiums and customer deposits collected and not yet remitted to insurance carriers, which deposits are held in a fiduciary capacity. The increase in interest rates during 1994 resulted in an increase in investment income on fiduciary funds of 42% over that of 1993.

Insurance premiums are established by insurance companies based upon many factors, none of which are controlled by the Company. Beginning in 1986 and continuing throughout 1994, revenues have been adversely influenced by a consistent decline in premium rates resulting from intense competition among property and casualty insurers for overall expanding market capacity. Among other factors, this condition of prevailing decline in premium rates, commonly referred to as a "soft market," results directly in reduction of commission revenues.

In conjunction with these industry and market forces, general economic conditions have been stagnant in recent years, thereby limiting increases in insurable exposure units such as property values, sales and payroll levels. Still, the Company's revenues have continued to grow through intense initiatives for new business and development of new products, markets and services. Coupled with this revenue growth, expenses were curtained in 1994 primarily as a result of operational efficiencies realized from the 1993 merger of Poe & Associates and Brown & Brown, as well as significant repayments of debt which have reduced interest expense.

The Company anticipates that results of operations for 1995 will continue to be influenced by these competitive and economical conditions.

The following discussion and analysis regarding results of operations and liquidity and capital resources should be considered in conjunction with the accompanying consolidated financial statements and related notes.

Results of Operations for the Years Ended December 31, 1994, 1993 and 1992

Net Income Summary: The Company's net income was $13,285,000 in 1994, $8,003,000 in 1993, and $2,561,000 in 1992. The Company's net income per share was $1.56, $0.95, and $0.30 in 1994, 1993 and 1992, respectively. Net income per share was affected by discontinued operation charges of $0.19 in 1992. The 1994 net income includes a net after-tax gain of approximately $1,342,000, or $.16 per share, from the Company's sale of a portion of its investment in Rock-Tenn Company. The 1994 net income was also positively impacted by $.08 per share as a result of a favorable settlement of a portion of the Company's pending IRS examination and the related reduction in general tax reserves (see discussion of "Income Taxes" below). Excluding these non-recurring items, net income in 1994 increased $.37 per share or 39% over 1993, primarily as a result of an increase in commissions and fees of approximately 2% and a decrease in expenses of approximately 4%.

Commissions and Fees: Commissions and fees increased 2% in 1994, 7% in 1993 and 8% in 1992. Excluding the effects of acquisitions, commissions and fees would have increased 4% in 1993 compared to a decrease of 2% in 1992. Acquisition activity in 1994 did not have a material impact on commissions and fees. The 1994 results reflect an increase in commissions and fees for each of the Company's operating divisions, most of which resulted from new business growth. Although in general, property and casualty insurance premium prices during 1994 remained competitive, there were some increases in premium rates for coastal properties as a result of recent Florida storms, such as Hurricane Andrew, and some increases in insurable exposure units that occurred toward the end of 1994. Both of these factors also contributed to the increase in the 1994 Retail Division revenues.

Investment Income: Investment income increased $3,061,000 in 1994 to $5,092,000 compared to a decrease of $395,000 in 1993 to $2,031,000. The 1994 increase is primarily due to a $2,185,000 gain from the sale of approximately 23% of the Company's investment in the common stock of Rock-Tenn Company. This sale was in conjunction with an initial public offering by Rock-Tenn Company of its common stock. The Company continues to own 509,064 shares of common stock of Rock-Tenn Company and has no current plans to sell these shares.

Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Under these new rules, debt securities that the Company has both the positive intent and ability to hold to maturity would be classified as "held-to-maturity" securities and would be reported at amortized cost. Marketable equity securities and debt securities not classified as held-to-maturity are classified as "available-for-sale." Available-for-sale securities are reported at fair value, with unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. Application of these new rules resulted in a net increase of $5,341,000 in shareholders' equity as of December 31, 1994.

Other Income: Other income consists primarily of gains and losses from the sale and disposition of assets. During 1994, gains on the sale of customer accounts aggregated $411,000. During 1993, certain customer accounts were sold for an aggregate net gain of $864,000 of which $818,000 related to the sale of two of the Company's smallest operations in Tallahassee, Florida and Westlake Village, California. In 1992, customer accounts were sold for $715,000.

Employee Compensation and Benefits: Employee compensation and benefits remained constant in 1994 compared to an increase of less than 3% in 1993. Without acquisitions, employee compensation and benefits expense remained constant in 1994 and would have decreased less than 1% in 1993. As of December 31, 1994, the Company had 971 full-time equivalent employees compared to 980 at the beginning of the year. The impact of the reduction in personnel during 1994 was offset by increases in compensation due to merit raises and production-related increases. The 1993 merger of Poe & Associates, Inc. and Brown & Brown, Inc. also resulted in a reduction of personnel throughout 1993. This reduction was offset primarily by increases in vacation benefits, operational bonuses, and certain deferred compensation arrangements.

Other Operating Expenses: Other operating expenses decreased 12% in 1994 compared to an increase of approximately 3% in 1993. Without acquisitions, operating expenses would have still decreased 12% in 1994 and would have increased less than 1% in 1993. The 1994 decrease is primarily attributable to approximately $2,500,000 of costs incurred in 1993 representing non-recurring merger and combination costs related to the Poe & Associates merger with Brown & Brown and subsequent improvements in operational efficiencies that resulted in decreases to most other operating expenses. Excluding the $2,500,000 of merger-related costs, most of the 1993 other operating expenses were reduced from their 1992 levels.

Interest and Amortization: Interest and amortization decreased $514,000 and $412,000 or 9% and 6% in 1994 and 1993, respectively, due primarily to a reduction in outstanding debt in 1994 and 1993 and the refinancing of certain debt in 1993 at lower interest rates.

Income Taxes: The effective rate on income from operations was 34.7% in 1994, 38.1% in 1993 and 50.2% in 1992. The lower effective tax rate in 1994 is primarily due to the effect of recording a $700,000 reduction to the general tax reserves as a result of reaching a settlement agreement with the Internal Revenue Service ("Service") on certain of the Service's outstanding examination issues (see below for detailed discussion of this adjustment). The higher effective rate in 1992 was primarily due to non-deductible amortization of certain intangible assets, establishment of additional general tax reserves related to the Service examinations, and a taxable gain differential on a building sale relating to an acquisition in 1990.

In 1992, the Service completed examinations of the Company's federal income tax returns for tax years 1988, 1989 and 1990. As a result of these examinations, the Service issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar adjustments for subsequent periods through December 31, 1993, would total $6,100,000. The disputed items related primarily to the deductibility of amortization of purchased customer accounts of approximately $5,107,000 and non-compete agreements of approximately $993,000. In addition, the Service's report included a dispute regarding the time at which the Company's payments made pursuant to certain indemnity agreements would be deductible for tax reporting purposes. During 1994, the Company was able to reach a settlement agreement with the Service with respect to certain of the disputed amortization items and the indemnity agreement payment issue. This settlement has reduced the total remaining asserted income tax deficiencies to approximately $2,800,000. The Company disagrees with the position of the Service on the remaining issues and will

continue to pursue its remedies through available administrative and judicial processes. However, based upon the most recent communication with the Service, management believes that the remaining issues are likely to be settled by the end of 1995. Based on the 1994 partial settlement and review of the remaining unsettled items, the Company believes that its general tax reserves of $800,000 are sufficient to cover the settlement of the remaining items. As such, after considering a $400,000 reduction to previously established tax reserves for payments under the settlement agreement, the Company recorded a $700,000 reduction in general tax reserves during 1994. This decrease has been recorded as a reduction to the current income tax provision. If the Service were to prevail on the remaining amortization issues, future operating results would be adversely affected by the difference between the total estimated remaining assessment of $2,800,000 and the recorded general tax reserves of $800,000 as of December 31, 1994.

Discontinued Operations: In 1992, the Company recorded a significant charge of $1,580,000, or $0.19 per share, relating to discontinued operations. This charge was associated with the Company's risk-bearing operation which was discontinued in 1988. The charge resulted primarily from a re-evaluation of the Company's expected recoveries associated with its indemnity of a reinsurance agreement and, to a lesser extent, from a strengthening of reserves for that indemnity.

The Company had historically estimated that certain recoveries related to the indemnity were available to it from the insolvency of Whiting National Insurance Company, placed in liquidation in 1988. While none of the underlying facts or operations of law had changed, the activity associated with the liquidation of Whiting had proceeded more slowly than anticipated making realization of those recoveries uncertain. The elimination of those recoveries accounts for approximately three-fourths of the discontinued operations charge. In addition, the Company bolstered reserves associated with the underlying indemnity obligations, further increasing the charge. These reserves are expected to be settled over many years and do not require any immediate significant cash outlays.

Management currently anticipates that the existing reserves will be sufficient to provide for its responsibility under the indemnity agreement. Accordingly, management believes that the Company's future operating results and financial position will not be materially affected by this indemnity.

Liquidity and Capital Resources

The Company's cash and cash equivalents of $22,995,000 at December 31, 1994 decreased $3,350,000 from the December 31, 1993 balance of $26,345,000. During 1994, cash of $10,654,000 was provided from operating activities, proceeds of $2,346,000 from sales of investments, and proceeds from the exercise of stock options and issuances of common stock of $1,687,000. Cash was used during 1994 primarily for payments on long-term debt and notes payable of $11,873,000 and payment of dividends of $3,542,000.

The Company's cash and cash equivalents of $26,345,000 at December 31, 1993 increased $7,941,000 from the December 31, 1992 balance of $18,404,000. During 1993, cash was primarily provided from operating activities of $20,188,000, proceeds from the sale of fixed assets and customer accounts of $427,000 and proceeds from bank borrowings of $3,833,000. Cash was used during 1993 primarily for payments on finalizing acquisition contingency agreements and the purchases of fixed assets totaling $3,925,000, repayment of long-term debt and notes payable of $10,964,000 and payment of dividends of $2,971,000.

The Company's cash and cash equivalents of $18,404,000 at December 31, 1992 increased $820,000 from 1991. During 1992, cash was primarily provided from operating activities of $9,254,000, proceeds from borrowings of $1,550,000 and proceeds from the sales of investments, fixed assets and customer accounts totaling $5,290,000. Cash was used in 1992 primarily for acquisitions of businesses totaling $5,858,000, capital expenditures of $2,164,000, purchases of investments of $731,000, repayment of debt of $5,321,000 and payment of dividends of $2,028,000.

The Company's working capital ratio was 1.10 to 1.0, 1.03 to 1.0 and .96 to 1.0, as of December 31, 1994, 1993, and 1992, respectively. The increase in the ratio at December 31, 1994 was primarily the result of lower premiums payable to insurance companies, lower accounts payable and accrued expenses and less outstanding current portion of long-term debt at year end. The increase in the ratio at December 31, 1993 as compared to December 31, 1992 was primarily the result of higher net cash flows from operations. Premiums payable to insurance companies generally exceed the amount of premiums receivable from customers because of the Company's billing and collection practices and its agreed payment period terms with insurance companies.

In 1993, the Company entered into a long-term credit facility with a national banking institution that consisted of two secured term loans aggregating $7,500,000 that carried interest at the LIBOR rate plus 2% (5.25% at December 31, 1993). These bank term loans were used to replace approximately $3,750,000 of 8.5% notes held by an insurance company, and to fund acquisition contingency payments finalized in 1993. As of December 31, 1993, all acquisition contingency agreements had been finalized. This debt was fully retired during 1994.

The Company has had available an unsecured line of credit with a national banking institution totaling $3,500,000 since 1991, but that line of credit was reduced to $2,000,000 in conjunction with the new credit facility referred to above. At December 31, 1993, there were no borrowings against this line of credit, and at December 31, 1992, $1,550,000 was borrowed. During 1994, in connection with the repayment of the long-term credit facility referred to above, the $2,000,000 line of credit was terminated. In November 1994, the Company entered into a new secured line of credit with a different national banking institution which provides the Company with available borrowings of $10,000,000. During 1994 and as of December 31, 1994, there were no borrowings against this line of credit.

The Company entered into a long-term credit agreement in 1991 with a major insurance company, pursuant to which up to $10,000,000 could be borrowed at an interest rate equal to the prime lending rate plus 1% (9.5 % at December 31, 1994). The amount of the available credit decreases by $1,000,000 each August through the year 2001 when it will expire. As of December 31, 1994, the maximum amount available under the agreement was outstanding.

The Company believes that its existing cash, cash equivalents, short-term investment portfolio, funds generated from operations and the availability of the bank line of credit will be sufficient to satisfy its normal financial needs through at least the end of 1995. Additionally, the Company believes that funds generated from future operations will be sufficient to satisfy its normal financial needs, including the required annual principal payments of its long-term debt and any potential future tax liability.

CONSOLIDATED STATEMENTS OF INCOME

(in thousands of dollars and shares, except per share data)	Year Ended December 31, 1994	1993	1992
Revenues			
Commissions and fees	$93,826	$92,350	$86,127
Investment income	5,092	2,031	2,426
Other income	589	1,189	757
Total revenues	99,507	95,570	89,310
Expenses			
Employee compensation and benefits	51,229	51,203	49,954
Other operating expenses	22,418	25,413	24,601
Interest and amortization	5,508	6,022	6,434
Total expenses	79,155	82,638	80,989
Income before income taxes and loss from discontinued operations	20,352	12,932	8,321
Income taxes	7,067	4,929	4,180
Income from continuing operations	13,285	8,003	4,141
Loss from discontinued operations, net of tax benefit of $976	-	-	1,580
Net Income	$13,285	$ 8,003	$ 2,561
Income (loss) per Share			
Continuing operations	$ 1.56	$ .95	$ .49
Discontinued operations	-	-	(.19)
Net income	$ 1.56	$ .95	$ .30
Weighted average number of shares outstanding	8,524	8,425	8,423

See notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

(in thousands of dollars, except per share data)	December 31, 1994	1993
Assets		
Cash and cash equivalents	$ 22,995	$ 26,345
Short-term investments	787	667
Premiums and commissions receivable, less allowance for doubtful accounts of $69 in 1994 and $435 in 1993	56,085	54,054
Other current assets	6,420	4,720
Total current assets	86,287	85,786
Fixed assets, net	8,286	8,001
Intangibles, net	32,620	35,493
Investments	9,274	695
Other assets	2,868	3,354
Total assets	$139,335	$133,329
Liabilities		
Premiums payable to insurance companies	$ 61,873	$ 65,903
Premium deposits and credits due customers	6,970	5,051
Accounts payable and accrued expenses	8,230	8,913
Current portion of long-term debt	1,245	3,232
Total current liabilities	78,318	83,099
Long-term debt	7,430	17,316
Deferred income taxes	3,778	1,323
Other liabilities	5,765	4,373
Total liabilities	95,291	106,111

Shareholders' Equity		
Common stock, par value $.10; authorized 18,000,000 shares; issued 8,551,756 shares in 1994; 8,403,779 shares in 1993	855	840
Additional paid-in capital	2,070	1,149
Retained earnings	35,778	26,035
Net unrealized appreciation of available-for-sale securities, net of tax effect of $3,344	5,341	-
Treasury stock, at cost: 0 shares in 1994; 44,833 shares in 1993	-	(806)
Total shareholders' equity	44,044	27,218
Total liabilities and shareholders' equity	$139,335	$133,329

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(in thousands of dollars and shares, except per share data)

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	PAID-IN CAPITAL	RETAINED EARNINGS	ADDITIONAL UNREALIZED APPRECIATION	NET TREASURY STOCK SHARES	TREASURY STOCK AMOUNT	TOTAL
Balance, January 1, 1992	8,511	$851	$ 972	$22,571	$ -	242	$(2,104)	$22,290
Net income				2,561				2,561
Issued for stock option plans and employee stock purchase plans			(12)			(81)	621	609
Purchase and retirement of Brown stock	(118)	(12)		(1,177)				(1,189)
Adjustment to conform fiscal year ends of Brown and Arch-Holmes (See Note 2)				(924)				(924)
Cash dividends paid ($.40 per share)				(2,028)				(2,028)
Balance, December 31, 1992	8,393	839	960	21,003	-	161	(1,483)	21,319
Net income				8,003				8,003
Issued for stock option plans and employee stock purchase plans	11	1	13			(116)	677	691
Tax benefit from sale of option shares by employees			176					176
Cash dividends paid ($.40 per share)				(2,971)				(2,971)

Balance, December 31, 1993	8,404	840	1,149	26,035	-	45	(806)	27,218
Net income				13,285				13,285
Issued for stock option plans and employee stock purchase plans	148	15	866			(45)	806	1,687
Tax benefit from sale of option shares by employees			55					55
Cumulative effect of change in accounting principle (see Note 1)					23			23
Net increase in unrealized appreciation of available-for-sale securities					5,318			5,318
Cash dividends paid ($.42 per share)				(3,542)				(3,542)
Balance, December 31, 1994	8,552	$855	$ 2,070	$35,778	$5,341	-	$ -	$44,044

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of dollars)	Year Ended December 31,		
	1994	1993	1992
Cash Flows From Operating Activities			
Net income	$13,285	$ 8,003	$ 2,561
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,304	6,882	6,919
Provision for doubtful accounts	19	562	749
Deferred income taxes	(1,173)	499	516
Net gains on sales of investments, fixed assets and customer accounts	(2,231)	(864)	(809)
Loss from discontinued operations	-	-	1,580
Adjustment due to change in pooled entities' year end	-	-	(1,694)
Premiums and commissions receivable (increase) decrease	(1,929)	1,834	(12,610)
Other assets (increase) decrease	(2,151)	583	390
Premiums payable to insurance companies (decrease) increase	(4,098)	4,762	10,970
Premium deposits and credits due customers increase (decrease)	1,919	(471)	985
Accounts payable and accrued expenses decrease	(683)	(2,814)	(623)
Other liabilities increase	1,392	1,212	320
Net cash provided by operating activities	10,654	20,188	9,254

Cash Flows From Investing Activities			
Additions to fixed assets	(2,392)	(1,805)	(2,164)
Payments for businesses acquired, net of cash acquired	(1,382)	(2,120)	(5,858)
Proceeds from sales of fixed assets and customer accounts	1,337	427	1,187
Purchases of investments	(187)	(93)	(731)
Proceeds from sales of investments	2,346	709	4,103
Other investing activities, net	(53)	(130)	314
Net cash used in investing activities	(331)	(3,012)	(3,149)
Cash Flows From Financing Activities			
Payments on long-term debt and notes payable	(11,873)	(10,964)	(5,321)
Proceeds from long-term debt and notes payable	-	3,833	1,550
Exercise of stock options, issuances of stock and treasury stock sales	1,687	691	609
Tax benefit from sale of option shares by employees	55	176	-
Purchase and retirement of treasury stock	-	-	(95)
Cash dividends paid	(3,542)	(2,971)	(2,028)
Net cash used in financing activities	(13,673)	(9,235)	(5,285)
Net (decrease) increase in cash and cash equivalents	(3,350)	7,941	820
Cash and cash equivalents at beginning of year	26,345	18,404	17,584
Cash and cash equivalents at end of year	$ 22,995	$ 26,345	$18,404

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Principles of Consolidation The consolidated financial statements include the accounts of Poe & Brown, Inc. and its subsidiaries (the Company). All significant intercompany account balances and transactions have been eliminated in consolidation.

Revenue Recognition Commisions relating to the brokerage and agency activity whereby the Company has primary responsibility for the collection of premiums from insureds are generally recognized as of the later of the effective date of the policy or the date billed. Commissions to be received directly from insurance companies are generally recognized when ascertained. Subsequent commission adjustments, such as policy cancellations, are recognized upon notification from the insurance companies. Commission revenues are reported net of sub-broker commissions. Contingent commissions from insurance companies are recognized when received. Fee income is recognized when services are rendered.

Cash and Cash Equivalents Cash and cash equivalents principally consist of demand deposits with financial institutions, money market accounts, and certificates of deposit having maturities of less than three months when purchased.

Premiums and Commissions Receivable In its capacity as an insurance broker or agent, the Company typically collects premiums from insureds and, after deducting its authorized commissions, remits the premiums to the appropriate insurance companies. In other circumstances, the insurance companies collect the premiums directly from the insureds and remit the applicable commissions to the Company. Accordingly, as reported in the Consolidated Balance Sheets, "premiums" are receivable from insureds and "commissions" are receivable from insurance companies.

Investments Effective January 1, 1994, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Under these new rules, debt securities that the Company has both the positive intent and ability to hold to maturity would be classified as "held-to-maturity" securities and would be reported at amortized cost, adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization, as well as interest earnings on these securities, would be included in investment income.

Marketable equity securities and debt securities not classified as held-to-maturity are classified as "available-for-sale." Available-for-sale securities are reported at estimated fair value, with the unrealized gains and losses, net of tax, reported as a separate component of shareholders' equity. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretion is included in investment income. Realized gains and losses and declines in value judged to be other-than-temporary on available-for-sale securities are included in investment income. The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in investment income.

Nonmarketable equity securities and certificates of deposit having maturities of more than three months when purchased are reported at cost, adjusted for other-than-temporary market value declines.

The adoption of SFAS No. 115 resulted in an increase of $23,000 (net of $15,000 in deferred taxes) to shareholders' equity as of January 1, 1994. Application of this new Statement resulted in an increase of $5,341,000 in shareholders' equity, net of $3,344,000 in deferred income taxes, as of December 31, 1994.

As of January 1, 1994, the Company owned 659,064 shares of common stock of Rock-Tenn Company with an aggregate cost of $565,000. As of that date, the common stock of Rock-Tenn Company was not publicly traded and, therefore, had no readily determinable market value. However, on March 3, 1994, the common stock of Rock-Tenn was registered with the Securities and Exchange Commission and began trading on the NASDAQ over-the-counter securities market at the initial public offering price of $16.50 per share. As part of the initial public offering of the Rock-Tenn Company's common stock, the Company sold 150,000 shares of its investment in this stock and reported a net after-tax gain of $1,342,000 in the first quarter of 1994. The remaining 509,064 shares of Rock-Tenn Company common stock held by the Company have been classified as non-current available-for-sale securities as of December 31, 1994. The Company has no current plans to sell these shares.

Fixed Assets Fixed assets are stated at cost. Expenditures for improvements are capitalized and expenditures for maintenance and repairs are charged to operations as incurred. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and the resulting gain or loss, if any, is reflected in income. Depreciation has been provided using principally the straight-line method over the estimated useful lives of the related assets which range from three to ten years. Leasehold improvements are amortized on the straight-line method over the term of the related leases.

Intangibles Intangible assets are stated at cost less accumulated amortization and principally represent purchased customer accounts, non-compete agreements, purchased contract agreements, and the excess of costs over the fair value of identifiable net assets acquired (goodwill). Purchased customer accounts, non-compete agreements, and purchased contract agreements are being amortized on a straight-line basis over the related estimated lives and contract periods, which range from three to 14 years. The excess of costs over the fair value of identifiable net assets acquired is being amortized on a straight-line basis over 40 years. Purchased customer accounts are records and files obtained from acquired businesses that contain information on insurance policies and the related insured parties that is essential to policy renewals.

The carrying value of intangibles, corresponding with each agency division comprising the Company, is periodically reviewed by management to determine if the facts and circumstances suggest that they may be impaired. In the insurance brokerage and agency industry, it is common for agencies or books of business (customer accounts) to be acquired at a price determined as a multiple of the corresponding revenues. Accordingly, the Company assesses the carrying value of its intangibles by comparison to a reasonable multiple applied to corresponding revenues, as well as considering the operating cash flow generated by the corresponding agency division. Any impairment identified through this assessment may require that the carrying value of related intangibles be adjusted.

Income Taxes The Company files a consolidated federal income tax return. Deferred income taxes are provided for in the consolidated financial statements and relate principally to expenses charged to income for financial reporting purposes in one period and deducted for income tax purposes in other periods, unrealized appreciation of available-for-sale securities, and basis differences of intangible assets.

Net Income Per Share Net income per share is based on the weighted average number of shares outstanding, adjusted for the dilutive effect of stock options, which is the same on both a primary and fully-diluted basis.

Reclassifications Certain amounts in the 1993 and 1992 consolidated financial statements have been reclassified to conform with the 1994 consolidated financial statements.

Note 2 - Mergers

On April 28, 1993, Poe & Associates, Inc. (Poe) issued 3,013,975 shares of its common stock in exchange for all of the outstanding common stock of Brown & Brown, Inc. (Brown), a closely-held general insurance agency headquartered in Daytona Beach, Florida. Subsequent to that merger, Poe's name was changed to Poe & Brown, Inc.

On November 11, 1993, the Company issued 124,736 shares of its common stock in exchange for all of the outstanding common stock of Arch-Holmes Insurance, Inc. (Arch-Holmes), a closely-held general insurance agency headquartered in Hollywood, Florida.

Both transactions were accounted for as pooling-of-interests and accordingly, the Company's consolidated financial statements have been restated for all periods prior to the mergers to include the results of operations, financial positions, and cash flows of Brown and Arch-Holmes. To conform to Poe's year end, the fiscal year ends for Brown and Arch-Holmes were changed to December 31 effective on each of the respective merger dates. Accordingly, the three-month period ended March 31, 1992 for Brown and Arch-Holmes, which consisted of aggregate revenues of $10,580,000 and aggregate net income of $924,000, has been included in both the Company's 1992 and 1991 operating results. Accordingly, an adjustment has been made in 1992 to retained earnings for the duplication of this net income.

The following table reflects the 1992 individual company operating results of Poe, Brown, and Arch-Holmes. Amounts pertaining to Brown and Arch-Holmes for 1993 reflect their respective operating results up to their dates of merger.

(in thousands of dollars,except per share data)	POE	BROWN	ARCH-HOLMES	COMBINED
1993				
Revenues	$80,817	$13,488	$1,265	$95,570
Net income (loss)	6,897	1,145	(39)	8,003
1992				
Revenues	$52,393	$35,452	$1,465	$89,310
Income from continuing operations	2,865	1,208	68	4,141
Loss from discontinued operations	(1,580)	-	-	(1,580)
Net income	1,285	1,208	68	2,561
1992				
Net Income Per Share				
As previously reported	$ 0.25			
Combined	$ 0.30			

Note 3 - Acquisitions

During 1994 the Company acquired the assets of three insurance agencies for an aggregate cost of $656,000. The Company had no acquisitions during 1993 accounted for as purchases. In 1992 the Company acquired outstanding shares of one insurance agency and the assets of five other insurance agencies at an aggregate cost of $11,784,000. The 1994 and 1992 acquisitions were accounted for as purchases, and substantially the entire cost was assigned to purchased customer accounts, non-compete agreements, and goodwill.

Additional or return consideration resulting from acquisition contingency provisions are recorded as adjustments to intangibles when they occur. Certain contingency payments relating to these acquisitions were finalized in 1993 and 1992, resulting in a net

increase (decrease) to the original combined purchase price of $5,893,000 and ($315,000), respectively. The results of operations of the acquired companies have been included in the consolidated financial statements from their respective acquisition dates. Pro forma results of operations of the Company for the years ended December 31, 1994, 1993 and 1992, including 1994 acquisitions as though they occurred on January 1, 1994 and the 1992 acquisitions as though they occurred on January 1, 1992, were not materially different from the results of operations as reported.

Note 4 - Investments
Investments at December 31, 1994 consists of the following:

(in thousands of dollars)	CARRYING VALUE	
	CURRENT	NON-CURRENT
Available-for-sale marketable equity securities	$317	$9,163
Nonmarketable equity securities and certificates of deposit	470	111
Total investments	$787	$9,274

The following summarizes available-for-sale securities at December 31, 1994:

(in thousands of dollars)	COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED FAIR VALUE
Marketable equity securities	$795	$8,739	$54	$9,480

Investments at December 31, 1993 consisted of marketable equity securities reported at aggregate cost which approximates market value, other investments reported at cost, and certificates of deposit having maturities of more than three months when purchased.

In 1994, the Company's proceeds from sales of available-for-sale securities totaled $2,314,000, from which $2,185,000 of gross gains were realized. During 1993, the Company had no sales of marketable equity securities. In 1992, the Company realized net gains on sales of marketable equity securities in the amount of $329,000.

Note 5 - Fixed Assets
Fixed assets at December 31 are summarized as follows:

(in thousands of dollars)	1994	1993
Furniture, fixtures, and equipment	$16,849	$21,138
Land, buildings, and improvements	1,349	1,453
Leasehold improvements	1,564	1,629
	19,762	24,220
Less accumulated depreciation and amortization	11,476	16,219
	$ 8,286	$ 8,001

The gross cost and accumulated depreciation balances at December 31, 1994 have declined from December 31, 1993 due to the Company's elimination of all fully depreciated assets no longer utilized in operations.

Depreciation and amortization expense amounted to $2,107,000 in 1994, $2,594,000 in 1993, and $2,523,000 in 1992.

Note 6 - Intangibles
Intangibles at December 31 are comprised of the following:

(in thousands of dollars)	1994	1993
Purchased customer accounts	$26,045	$26,164
Non-compete agreements	9,706	9,739
Goodwill	19,431	19,190
Purchased contract agreements	789	789
	55,971	55,882
Less accumulated amortization	23,351	20,389
	$32,620	$35,493

Amortization expense amounted to $4,197,000 in 1994, $4,288,000 in 1993, and $4,396,000 in 1992.

Note 7 - Long-Term Debt
Long-term debt at December 31 consists of the following:

(in thousands of dollars)	1994	1993
Long-term credit agreement	$7,000	$8,000
Bank term loans	-	7,500
Notes payable:		
Variable rate acquisition note payable	-	1,692
Notes from treasury stock purchases	1,662	1,883
Other acquisition notes payable	-	1,452
Other notes payable	13	21
	8,675	20,548
Less current portion	1,245	3,232
Long-term debt	$7,430	$17,316

In 1991, the Company entered into a long-term credit agreement with a major insurance company that provided $10 million at an interest rate equal to the prime lending rate plus 1% (9.5% at December 31, 1994). The amount of available credit decreases by $1 million each August through the year 2001 when it will expire.

In 1993, the Company entered into a long-term credit facility with a national banking institution that consisted of two secured term loans aggregating $7,500,000 and a $2,000,000 unsecured short-term line of credit. Interest on the term loans was payable on a monthly basis at the LIBOR rate plus 2%. These term loans were repaid in November 1994. There were no borrowings against the unsecured line of credit during 1994 and, during 1994 this line of credit agreement was terminated by the Company.

In November 1994, the Company entered into a revolving credit facility with a national banking institution which provides for available borrowings of up to $10 million. Amounts outstanding are secured by all assets of the Company, subject to existing or permitted liens. Interest on this facility is at the option of the Company based upon the LIBOR prime or the Federal Funds rate. A commitment is assessed in the amount of 1/4% per annum on the unused balance. During 1994 and as of December 31, 1994, there were no borrowings against this line of credit.

The variable rate acquisition note payable was repaid in May 1994 including interest through that period.

Treasury stock notes payable are due to various individuals for the redemption of Brown & Brown, Inc. stock. These notes bear no interest and have maturities ranging from fiscal years ending 1997 to 2001. These notes have been discounted at effective yields ranging from 8.5% to 9.2% for consolidated financial statement presentation purposes.

Other acquisition notes payable, including interest ranging from 8% to 9%, were repaid in 1994.

Maturities of long-term debt for succeeding years are $1,245,000 in 1995, $1,266,000 in 1996, $1,284,000 in 1997, $1,233,000 in 1998, $1,252,000 in 1999, and $2,395,000 thereafter.

Interest expense included in the consolidated statements of income was $1,311,000 is 1994, $1,734,000 in 1993 and $2,038,000 in 1992.

Note 8 - Commitments and Contingencies
The Company and its subsidiaries lease office facilities and certain items of office equipment under noncancelable operating lease arrangements expiring on various dates through 2005. These occupancy leases generally contain renewal options and escalation clauses based on increases in the lessors' operating expenses and other charges. The Company anticipates that most of these leases will be renewed or replaced upon expiration. At December 31, 1994, the aggregate future minimum lease payments under all noncancelable lease agreements are as follows:

Year Ending December 31,	(in thousands of dollars)
1995	$ 3,317
1996	2,675
1997	2,659
1998	2,474
1999	2,542
Thereafter	10,334
Total future minimum lease payments	$24,001

Rental expense in 1994, 1993, and 1992 for operating leases totaled $4,136,000, $4,442,000 and $4,728,000, respectively. The 1993 rental expense amount includes $676,000 of direct costs related to the termination of a certain lease.

The Company is not a party to any legal proceedings other than various claims and lawsuits arising in the normal course of business. Management of the Company does not believe that any such claims or lawsuits will have a material effect on the Company's financial condition or results of operations.

Note 9 - Income Taxes
Effective January 1, 1993, the Company changed its method of accounting for income taxes from the deferred method to the liability method required by Financial Accounting Standards Board Statement No. 109, "Accounting for Income Taxes." As permitted under these new rules, the prior years' consolidated financial statements have not been restated for the effects of this Statement. The cumulative effect of adopting Statement No. 109 as of January 1, 1993 was to increase net income by $119,000.

At December 31, 1994, the Company had net operating loss carryforwards of $850,000 for income tax reporting purposes that expire in the years 1996 through 2002. These carryforwards were derived from agency acquisitions by the Company beginning in 1985. For financial reporting purposes, a valuation allowance of $38,000 has been recognized to offset the deferred tax assets related to these carryforwards.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for income tax reporting purposes. Significant components of the Company's deferred tax liabilities and assets as of December 31 are as follows:

(in thousands of dollars)	1994	1993
Deferred tax liabilities:		
Fixed assets	$ 444	$ 512
Net unrealized appreciation of available-for-sale securities	3,344	-
Installment sales	296	405
Prepaid insurance and pension	666	350
Intangible assets	628	281
General tax reserves	800	1,900
Other	239	312
Total deferred tax liabilities	6,417	3,760
Deferred tax assets:		
Deferred compensation	1,062	889
Accruals and reserves	1,250	1,221
Net operating loss carryforwards	327	316
Other	38	49
Total deferred tax assets	2,677	2,475
Valuation allowance for deferred tax assets	38	38
Net deferred tax assets	2,639	2,437
Net deferred tax liabilities	$3,778	$1,323

Significant components of the provision for income taxes attributable to continuing operations are as follows:

(in thousands of dollars)	1994	1993	1992
	LIABILITY METHOD		DEFERRED METHOD
Current:			
Federal	$ 7,237	$3,728	$3,087
State	1,003	702	577
Total current provision	8,240	4,430	3,664
Deferred:			
Federal	(1,076)	419	454
State	(97)	80	62
Total deferred provision (benefit)	(1,173)	499	516
Total tax provision	$ 7,067	$4,929	$4,180

The components of the provision for deferred income taxes for the year ended December 31, 1992 as determined under the deferred method are as follows:

(in thousands of dollars)	
Amortization	$ 225
Accrued commissions	(342)
Other items, net	633
	$ 516

A reconciliation of the differences between the effective tax rate and the federal statutory tax rate on income from continuing operations is as follows:

	1994	1993	1992
	LIABILITY METHOD		DEFERRED METHOD
Federal statutory tax rate	35.0%	34.2%	34.0%
State income taxes, net of federal income tax benefit	2.8	3.6	4.3
Interest exempt from taxation and dividend exclusion	(0.3)	(0.3)	(0.8)
Non-deductible goodwill amortization	.7	1.2	1.8
Internal Revenue Service examination	(3.4)	-	10.9
Other, net	(.1)	(0.6)	-
Effective tax rate	34.7%	38.1%	50.2%

Income taxes receivable as of December 31, 1994 were $894,000 and are reported as a component of other current assets. Income taxes payable as of December 31, 1993 were $652,000 and were reported as a component of accounts payable and accrued expenses.

In 1992, the Internal Revenue Service (Service) completed examinations of the Company's federal income tax returns for the tax years 1988, 1989, and 1990. As a result of their examinations, the Service issued Reports of Proposed Adjustments asserting income tax deficiencies which, by including interest and state income taxes for the periods examined and the Company's estimates of similar adjustments for subsequent periods through December 31, 1993, would total $6,100,000. The disputed items related primarily to the deductibility of amortization of purchased customer accounts of approximately $5,107,000 and non-compete agreements of approximately $993,000. In addition, the Service's report included a dispute regarding the time at which the Company's payments made pursuant to certain indemnity agreements would be deductible for tax reporting purposes. During 1994, the Company was able to reach a settlement agreement with the Service with respect to certain of the disputed amortization items and the indemnity agreement payment issue. This settlement has reduced the total remaining asserted income tax deficiencies to approximately $2,800,000. Based on this settlement and review of the remaining unsettled items, the Company believes that its general income tax reserves of $800,000 are sufficient to cover its ultimate liability resulting from the settlement of the remaining items. Accordingly, after taking into consideration a $400,000 reduction of the reserve resulting from payments under the partial settlement agreement, during 1994 the Company recorded a $700,000 adjustment to decrease the originally established reserves of $1,900,000. This decrease has been recorded as a reduction to the current income tax provision. If the Service were to prevail on the remaining amortization issues, future operating results would be adversely affected by the difference between the total estimated remaining assessment of $2,800,000 at December 31, 1994 and the recorded income tax reserve of $800,000 at December 31, 1994. In addition to the potential assessment of $2,800,000 at December 31, 1994, future operating results would also be adversely affected by the disallowance of future income tax deductions relating to these issues.

Note 10 - Employee Benefits Plans

The Company maintains a defined benefit pension plan covering substantially all previous Poe & Associates, Inc. employees with one or more years of service. The benefits are based on years of service and compensation during the period of employment. Annual contributions are made in conformance with minimum funding requirements and maximum deductible limitations.

The plan's funded status and amounts recognized in the Company's consolidated balance sheets are as follows:

(in thousands of dollars)	December 31, 1994	1993
Actuarial present value of benefit obligations:		
Accumulated benefit obligations, including vested benefits of $3,642 in 1994 and $3,559 in 1993	$(3,793)	$(3,773)
Projected benefit obligations for service rendered to date	$(3,808)	$(3,943)
Plan assets at fair value, principally consisting of a group annuity contract	3,787	3,757
Excess of projected benefit obligations over plan assets	(21)	(186)
Unrecognized net excess of plan assets under previously accrued but unfunded pension costs, to be amortized	583	425
Net prepaid pension costs	$ 562	$ 239

The following assumptions were used in determining the actuarial present value of the benefit obligations and pension costs:

	Year Ended December 31, 1994	1993	1992
Discount rate	7.5%	7.5%	8.75%
Long-term rate for compensation increase	3.5%	3.5%	5.0%
Long-term rate of return on plan assets	8.0%	8.0%	8.5%

Pension costs included in the Company's consolidated statements of income are comprised of the following:

(in thousands of dollars)	Year Ended December 31, 1994	1993	1992
Service cost	$ 91	$ 221	$ 204
Interest cost	304	232	191
Actual return on assets	113	(284)	(230)
Net amortization and deferral	(407)	(39)	(89)
Net pension cost	$ 101	$ 130	$ 76

During 1994, the defined benefit pension plan was converted to a cash balance plan. The impact of this change on the plan costs and plan liabilities was not material.

The Company has an Employee Stock Purchase program under which all eligible employees may subscribe to its common shares at 85% of the lesser of the market value of such shares at the beginning or the end of the subscription period. Payment is made through payroll deductions, not to exceed 10% of base pay, over a 12-month period and shares are issued at the end of the

purchase period. At December 31, 1994, a total of 2,502 shares of common stock were authorized and reserved for future issuance relating to this program.

The Company has a Deferred Savings and Profit Sharing Plan (401(k)) covering substantially all employees with one year of service. Under this plan, the Company makes matching contributions equal to the participants' contributions, subject to a maximum of 2.5% of the participant's salary, and also provides for a discretionary profit sharing contribution for all eligible employees. The Company's contributions to the plan totaled $1,208,000 in 1994, $1,085,000 in 1993 and $857,000 in 1992.

Note 11 - Stock Option Plans

The Company has adopted stock option plans which provide for the granting to key employees options to purchase shares of its common stock. The following schedule summarizes the transactions from 1992 through 1994 pertaining to these plans:

	NUMBER OF SHARES	PER SHARE OPTION PRICE		
Outstanding, January 1, 1992	392,554	$ 3.40	-	$ 9.67
Granted	10,000	14.75		
Exercised	(71,874)	3.40	-	9.40
Canceled	(31,040)	6.00	-	7.60
Outstanding, December 31, 1992	299,640	6.00	-	14.75
Granted	-	-		
Exercised	(129,462)	6.00	-	9.45
Canceled	(9,936)	7.60		
Outstanding, December 31, 1993	160,242	6.00	-	14.75
Granted	-	-		
Exercised	(65,173)	6.00	-	14.75
Canceled	(8,689)	7.60	-	14.75
Outstanding, December 31, 1994	86,380	7.60		

All options outstanding as of December 31, 1994 are exercisable. At December 31, 1994, a total of 285,745 shares of common stock were reserved for future issuance relating to these plans.

Note 12 - Supplemental Disclosures of Cash Flow Information
The Company's significant non-cash investing and financing activities and cash payments for interest and income taxes are as follows:

(in thousands of dollars)	Year Ended December 31, 1994	1993	1992
Unrealized appreciation of available-for-sale securities net of tax effect of $3,344	$5,341	$ -	$ -
Notes payable issued for purchased customer accounts	-	3,862	3,206
Notes received on the sale of fixed assets and customer accounts	266	1,532	649
Notes payable issued on purchases and retirement of stock	-	-	1,094
Cash paid during the year for:			
Interest	1,447	1,913	1,886
Income taxes	9,597	3,978	4,298

Note 13 - Business Concentrations
Substantially all of the Company's premiums receivable from customers and premiums payable to insurance companies arise from policies sold on behalf of insurance companies. The Company, as agent, typically collects premiums, retains its commission and remits the balance to the insurance companies. A significant portion of business written by the Company is for customers located in Florida. Accordingly, the occurrence of adverse economic conditions or an adverse regulatory climate in Florida could have a material adverse effect on the Company's business, although no such conditions have been encountered in the past.

For the years ended December 31, 1994 and 1993, approximately 23% and 25%, respectively, of the Company's revenues are from insurance policies underwritten by one insurance company. Should this carrier seek to terminate its arrangement with the Company, the Company believes alternative insurance companies are available to underwrite the business, although some additional expenses and loss of market share would at least initially result. No other insurance company accounts for as much as five percent of the Company's revenues.

Note 14 - Reinsurance Indemnity
Whiting National Insurance Company (Whiting), the Company's risk-bearing subsidiary, ceased underwriting operations in early 1985 and in 1988 entered into liquidation by the New York State Insurance Department (Department). Since then, the handling of Whiting's affairs has been the responsibility of the Department.

In 1979, the company agreed to indemnify a ceding insurer should Whiting fail to perform under a reinsurance contract. As a result, the Company is directly responsible for the management and adjudication of claims outstanding under that indemnification contract. The Company had historically estimated that certain recoveries related to the indemnity were available to it from the Whiting liquidation. While none of the underlying facts or operations of law as to the Company's rights or creditor priority had changed, the liquidation activities proceeded more slowly than anticipated, making realization of those recoveries uncertain. As a result, in 1992 those estimated recoveries were written off and reserves associated with the underlying indemnity obligation were bolstered because of adverse loss developments. These adjustments have been reported as discontinued operations in the 1992 consolidated statement of income.

Note 15 - Quarterly Financial Information (Unaudited)
The Company's 1993 and 1992 quarterly operating results have not been reviewed by the Company's independent certified public accountants.

(in thousands of dollars, except per share data) (1)	REVENUE	NET INCOME (LOSS) AMOUNT	NET INCOME (LOSS) PER SHARE	CASH DIVIDENDS PER SHARE	STOCK PRICE RANGE HIGH	-	LOW
1994							
First quarter (2)	$27,948	$ 4,529	$ 0.54	$0.10	$19.50	-	$17.63
Second quarter	22,849	1,988	0.23	0.10	20.50	-	18.25
Third quarter (3)	24,568	3,530	0.41	0.10	22.75	-	19.75
Fourth quarter	24,142	3,238	0.38	0.12	21.75	-	19.50
	$99,507	$13,285	$ 1.56	$0.42			
1993							
First quarter	$24,116	$ 2,195	$ 0.26	$0.10	$19.00	-	$16.00
Second quarter (4)	22,810	714	0.08	0.10	21.25	-	17.25
Third quarter	24,771	2,498	0.30	0.10	20.00	-	18.25
Fourth quarter	23,873	2,596	0.31	0.10	20.25	-	16.87
	$95,570	$ 8,003	$ 0.95	$0.40			
1992							
First quarter	$23,294	$ 2,103	$ 0.25	$0.10	$15.75	-	$11.50
Second quarter	20,032	746	0.09	0.10	16.00	-	13.50
Third quarter	22,382	1,258	0.15	0.10	14.00	-	11.25
Fourth quarter (5)	23,602	(1,546)	(0.19)	0.10	17.00	-	12.75
	$89,310	$ 2,561	$ 0.30	$0.40			

(1) Quarterly financial information is affected by seasonal variations. The timing of contingent commissions, policy renewals and acquisitions may cause revenues, expenses and net income to vary significantly between quarters.

(2) First quarter 1994 net income increased $1,342,000, or $0.16 per share, from the sale of a portion of the Company's investment in Rock-Tenn Company (see Note 1).

(3) Third quarter 1994 net income increased $700,000, or $0.08 per share, due to the reduction in general tax reserves (See Note 9).

(4) Second quarter 1993 net income increased $818,000 from the sale of certain insurance accounts and other assets, and decreased $1,151,000 due to merger-related combination costs.

(5) Fourth quarter 1992 includes loss from discontinued operations of $1,580,000 or $0.30 per share. Fourth quarter net income (loss) also includes expenses of $2,147,000, or $0.26 per share, from charges associated with certain costs and uncollectible receivables arising from purchased acquisitions, costs related to the merger with Brown & Brown, and additions to income tax reserves.

Report of Independent Certified Public Accountants

To the Board of Directors of Poe & Brown, Inc., Daytona Beach, Florida

We have audited the accompanying consolidated balance sheets of Poe & Brown, Inc. and subsidiaries as of December 31, 1994 and 1993, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Poe & Brown, Inc. and subsidiaries at December 31, 1994 and 1993, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 1994 the Company changed its method of accounting for certain investments in debt and equity securities.

Tampa, Florida
January 28, 1995

Management's Report on Financial Statements and Internal Controls

To the Shareholders of Poe & Brown, Inc.

The management of Poe & Brown, Inc. has the responsibility for preparing the accompanying consolidated financial statements and for their integrity and objectivity. The statements, which include amounts that are based on management's best estimates and judgments, based upon current conditions and circumstances, have been prepared in conformity with generally accepted accounting principles and are free of material misstatement. Management also prepared the additional information contained in the annual report and is responsible for its accuracy and consistency with the consolidated financial statements.

Management of Poe & Brown, Inc. has developed and maintains a system of internal control over the preparation of its published annual and interim financial statements which is designed to provide reasonable assurance that the Company's assets are safeguarded and protected from improper use. The system is constantly monitored, revised and improved to meet changing business conditions, company growth, and recommendations made by the independent auditors.

Management has assessed the Company's system of internal control over the preparation of its published annual and interim financial statements. Based on this assessment, it is management's opinion that its system of internal control as of December 31, 1994 is effective in providing reasonable assurance that its published annual and interim financial statements are free of material misstatement.

The Audit Committee of the Company's Board of Directors is composed of the non-employee directors and the Chief Executive Officer and is responsible for approving the selection of the independent certified public accounting firm. The Audit Committee meets periodically with the Company's internal auditors and the independent auditors, as well as with management, to review accounting, auditing, internal controls and financial reporting matters. The internal auditors and the independent auditors have private and confidential access to the Audit Committee.

J. Hyatt Brown
Chairman, President
Chief Executive Officer

Timothy L. Young
Vice President, Treasurer
& Chief Financial Officer

SIX-YEAR STATISTICAL SUMMARY (UNAUDITED)

(in thousands, except per share data and Other Information)	Year Ended December 31, 1994	1993	1992	1991	1990	1989
Revenues						
Commissions & fees	$ 93,826	$ 92,350	$ 86,127	$ 79,859	$ 77,494	$ 68,061
Investment income	5,092	2,031	2,426	2,865	1,932	2,327
Other income	589	1,189	757	275	272	927
Total Revenues	99,507	95,570	89,310	82,999	79,698	71,315
Expenses						
Compensation and benefits	51,229	51,203	49,954	44,377	42,639	36,570
Other operating expenses	22,418	25,413	24,601	21,284	21,495	22,461
Amortization expense	4,197	4,288	4,396	4,680	4,251	3,391
Interest expense	1,311	1,734	2,038	1,855	1,561	940
Total expenses	79,155	82,638	80,989	72,196	69,946	63,362
Income before income taxes and loss from discontinued operations	20,352	12,932	8,321	10,803	9,752	7,953
Income Taxes	7,067	4,929	4,180	4,122	3,667	2,792
Income from continuing operations	13,285	8,003	4,141	6,681	6,085	5,161
Loss from discontinued operations	-	-	1,580	805	190	263
Net Income	$ 13,285	$ 8,003	$ 2,561	$ 5,876	$ 5,895	$ 4,898
Earnings per Share Information						
Income from continuing operations	$ 1.56	$ 0.95	$ 0.49	$ 0.81	$ 0.73	$ 0.63
Loss from discontinued operations	-	-	0.19	0.10	0.02	0.03
Net income per share	$ 1.56	$ 0.95	$ 0.30	$ 0.71	$ 0.71	$ 0.60
Weighted average number of shares outstanding	8,524	8,425	8,423	8,243	8,285	8,232
Dividends paid per share (1)	$ 0.42	$ 0.40	$ 0.40	$ 0.32	$ 0.32	$ 0.32
Year-end Financial Position						
Working capital (deficiency)	$ 7,969	$ 2,687	$ (3,528)	$ 1,107	$ (5,602)	$ (8,662)
Intangible assets, net	$ 32,620	$ 35,493	$ 34,913	$ 29,916	$ 28,858	$ 24,062
Total assets	$139,335	$ 33,329	$127,591	$114,818	$119,413	$ 93,859
Long-term debt	$ 7,430	$ 17,316	$ 18,423	$ 18,687	$ 14,594	$ 9,149
Shareholders' equity	$ 44,044	$ 27,218	$ 21,319	$ 22,291	$ 18,057	$ 13,412
Total shares outstanding (excluding treasury shares)	8,552	8,359	8,232	8,511	8,039	7,913
Other Information						
Number of full-time equivalent employees	971	980	1079	1041	1062	912
Revenue by employee	$102,478	$ 97,520	$ 82,771	$ 79,730	$ 75,045	$ 78,196
Book value per share	$ 5.15	$ 3.26	$ 2.59	$ 2.62	$ 2.25	$ 1.69
Stock price at year end, (average of bid & ask)	$ 21,750	$ 17,875	$ 16,750	$ 12,000	$ 8,000	$ 12,750
Stock price earnings multiple	13,94	18,82	55,83	16,90	11.26	21.25
Return on average shareholder's equity	37%	33%	12%	29%	37%	42%

(1) It is anticipated that the Company will continue to pay comparable annual dividends on its common stock.

SHAREHOLDER INFORMATION

The following graph is a comparison of five years of total returns for the Company as compared with the NASDAQ Market (US) Index, and a group of peer insurance broker and agency companies (Alexander & Alexander Services Inc., Arthur Gallagher & Co., Hilb, Rogal and Hamilton Company, and Marsh & McLennan Companies Inc.). The returns of each company have been weighed according to their respective stock market capitalizations as of January 1, 1994 for purposes of arriving at a peer group average. The total calculations are based upon an assumed $100 investment on December 31, 1989, with dividend reinvestment.

[GRAPH described above]

[GRAPH]

The above graph shows the closing stock prices for the years ending December 31, 1991, 1992, 1993 and 1994.

Corporate Offices

220 South Ridgewood Avenue
Daytona Beach, Florida 32114
(904) 252-9601

702 North Franklin Street
Tampa, Florida 33602
(813) 222-4100

Outside Counsel

Cobb Cole & Bell
150 Magnolia Avenue
Daytona Beach, Florida 32115

Holland & Knight
400 North Ashley Street
Tampa, Florida 33602

Corporate Information and Shareholder Services

In addition to this report, Poe & Brown, Inc.'s annual report to the Securities and Exchange Commission (Form 10-K) may be obtained without charge by writing to the Secretary, Poe & Brown, Inc., P.O. Box 1384, Tampa, Florida 33601. A reasonable charge will be made for copies of the exhibits to the Form 10-K.

Annual Meeting

The Annual Meeting of Shareholders of Poe & Brown Inc. will be held on April 19, 1995 at 9:00 a.m. in the Regency II Ballroom, Hyatt Regency Tampa, Two Tampa City Center, Tampa, Florida 33602.

Transfer Agent and Registrar

First Union Bank of North Carolina
Two First Union Center
Charlotte, North Carolina 28288

Independent Certified Public Accountants

Ernst & Young, LLP
Tampa, Florida 33602

Stock Listing

National Market System of NASDAQ
Symbol POBR
Approximate number of shareholders of record: 975 as of February 17, 1995.

Appendix A

Narrative Description of Graphs Appearing at Page 1 of the 1994 Annual Report to Shareholders:

Graph 1) Historical Revenue Growth, in millions:

Total Revenue (approximate) by year:

1989 - 71.3
1990 - 79.7
1991 - 82.9
1992 - 89.3
1993 - 95.6
1994 - 99.5

Graph 2) Net Income, in millions:

Net Income (approximate) per year:

1989 - 4.9
1990 - 5.9
1991 - 5.9
1992 - 2.6
1993 - 8.0
1994 - 13.3

Graph 3) Earnings Per Share, in dollars:

Earnings per share (approximate) by year:

1989 - .60
1990 - .71
1991 - .71
1992 - .30
1993 - .95
1994 - 1.56

EXHIBIT 23

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We consent to the incorporation by reference in this Annual Report (Form 10-K) of Poe & Brown, Inc. of our report dated January 28, 1995, included in the 1994 Annual Report to Shareholders of Poe & Brown, Inc.

Our audits also included the financial statement schedule of Poe & Brown, Inc. listed in Item 14(a). This schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the financial statement schedule referred to above, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also consent to the incorporation by reference in Post-Effective Amendment Number 1 dated December 3, 1992 to Registration Statement Number 33-1900 dated November 27, 1985 (Form S-8), Registration Statement Number 33-76 dated September 3, 1985 (Form S-8), Post-Effective Amendment Number 2 to Registration Statement Number 2-61019 dated May 27, 1980 (Form S-8), Registration Statement Number 33-41204 dated June 12, 1991 (Form S-8), and Registration Statement Number 33-41825 dated July 22, 1991 (Form S-8) of our report dated January 28, 1995, with respect to the consolidated financial statements incorporated herein by reference, and our report included in the preceding paragraph with respect to the financial statement schedule included in this Annual Report (Form 10-K) of Poe & Brown, Inc.

/s/ ERNST & YOUNG LLP

Tampa, Florida
March 27, 1995

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EXHIBIT 27

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF POE & BROWN FOR THE TWELVE MONTHS ENDED DECEMBER 31, 1994, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS

1,000

YEAR	
DEC-31-1994	
DEC-31-1994	
	22,999
	927
	56,154
	69
	0
	86,287
	19,762
	11,476
	139,335
	78,318
	0
	855
	0
	0
	43,189
	139,335
	93,826
	99,507
	0
	77,844
	0
	0
	1,311
	20,352
	7,067
	13,285
	0
	0
	0
	13,285
	1.56
	1.56